

# City of Rockford Equitable Recovery Assessment

NATIONAL RESOURCE NETWORK

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## I. Executive Summary

In May 2021, the City of Rockford, Illinois responded to a request for applicants by the National Resource Network (Network) to participate in a pilot program to assess equitable recovery following the economic downturn triggered by the COVID-19 pandemic. Following a review of the City's application and a subsequent intake call with City staff, Rockford was selected to participate in an equitable recovery assessment. The assessment process took place between June and August 2021 and included 60 interviews with stakeholders representing the City of Rockford, Rockford Public Schools, local community and economic development organizations, local foundations, and residents. Through these interviews, the Network was able to learn about immediate responses to the COVID-19 public health and economic crises, as well as key priority initiatives aimed at improving the quality of life in Rockford.

Since 2017, the City of Rockford has partnered with the National Resource Network to address critical fiscal concerns and to identify strategies to address long-standing community challenges. In 2018, the Network worked with the City to complete a seven-year multi-year financial plan to guide investment in fiscal solvency. The plan included recommendations to conduct a neighborhood revitalization strategy to help the City invest strategically in its neighborhoods and to improve the overall quality of life for residents. In 2019, the Network completed a neighborhood revitalization strategy and neighborhood typology that included targeted analysis to prioritize improvements, strengthen community partnerships and mitigate blight encroachment. Highlighted accomplishments include:

- **Northern Illinois Community Development Corporation (NICDC) Housing Initiative:** the City is participating as an equity partner to purchase and improve foreclosed homes in Rockford, with the intent to improve homes in reasonable stable neighborhoods where a renovated home will generate a profit and contribute to a strong neighborhood.
- **Northern Illinois Land Bank:** the City is one of multiple local governments that are part of the Land Bank, which provides both traditional land banking services and acts as the Winnebago County Trustee. In Rockford, the Trustee has sold 387 parcels for \$1.2 million in total sales, while the Land Bank has sold four parcels for a total of nearly \$91,000.
- **Community Development Financial Institution (CDFI) Exploration:** the City is exploring opportunities to develop and launch a local CDFI to provide additional investment opportunities in housing and local economic development.
- **Rockford Family Peace Center:** a City-funded effort led by the Mayor's Office, the Family Peace Center is a multi-agency initiative to address domestic violence in Rockford, through emergency services for domestic violence victims, counseling, food and housing services. A pioneering city-funded initiative, the City is expanding the initiative to include juvenile crime prevention and intervention.

Despite funding and staffing constraints, and legacy challenges related to economic decline over past decades, the City of Rockford has made considerable progress in implementing needed programs and partnerships to address critical community concerns. But change takes time, and the economic impacts of the global COVID-19 pandemic threaten to undermine recent positive advances toward its recovery. Already working to avoid further deficits, the City experienced substantial revenue losses during the pandemic. Looking ahead, the City will need to balance stabilizing core municipal services with very real community needs to ensure that it emerges from the pandemic stable and primed for recovery.

This equitable recovery assessment report represents the Network's third partnership with Rockford and is a testament to the City's commitment to driving positive change as it emerges from the COVID-19 pandemic. It is intended to provide the City of Rockford with an equity baseline, as well as insights into existing strengths, assets, challenges and opportunities to advance racial and social equity. It includes next steps to support an equitable recovery from the COVID-related economic downturn, and analyses of existing conditions and key areas of need. Each chapter details priority recommendations for next steps by the City and its partners across four impact areas: housing stability, local economic development, workforce development, and education and youth services – critical areas where COVID-19 has illuminated and exacerbated long-standing inequities. Analysis and recommendations for next steps in each of the focus areas are included in the following chapters of this report. This assessment is intended to be a starting point for Rockford as it leads the city out of this pandemic, providing strategies, key considerations and next steps to drive towards equity in the years ahead.

The American Rescue Plan Act (ARPA) includes funding to support state and local governments in recovering from the health and economic impacts of COVID-19. Approximately \$55 million allocated to the City of Rockford can have a tremendous impact on the community by directly enhancing the City's public health, community development, and economic recovery efforts. Recovery funding can also be leveraged through cross-sector partnerships to address critical needs in the community. Many of these needs are not new, but the COVID-19 pandemic has exacerbated and illuminated them in a way that underscores the need to take decisive and cross-cutting action to address root causes and entrenched inequities. Federal recovery funding provides a unique opportunity for the City to meet urgent needs and strategically focus resources on programs that maximize impact to address longstanding racial and economic disparities. **Although ARPA is a once-in-a-generation infusion of federal funding to support much needed economic recovery, it is still insufficient for the City to do it alone. Collective action across all community partners is essential to realize both Rockford's economic recovery and racial and social equity for all Rockfordians.**

### Equitable Recovery Assessment Pilot Overview

The National Resource Network is a consortium of best-in-class organizations delivering cross-cutting technical assistance to economically challenged communities. The Network model leverages expertise and resources from the public and private sectors to help cities comprehensively tackle their most pressing challenges. The Rockford assessment team included representatives from the following organizations:

- **Enterprise Community Partners:** Enterprise Community Partners is the only national nonprofit that addresses America's affordable housing crisis from every angle, combining 40 years of experience, thousands of local partners, and the expertise of over 1,100 employees nationwide. Enterprise has introduced solutions through public-private partnerships with financial institutions, governments, community organizations, and other partners to make home and community places of pride, power and belonging, and platforms for resilience and upward mobility for all.
- **Strive Together:** Strive Together leads a network of communities to work together and evolve to advance equity so local success stories can become the reality for every child, everywhere. Strive transforms failing systems with a collaborative improvement methodology that directs data from small changes to inform adjustments in the community.

The Network team used a systematic approach to the assessment process that included data collection, interviews with key leaders, and the development of a tailored set of findings and preliminary recommendations for Rockford. Our holistic approach builds on each Network consortium member's expertise and provides cross-disciplinary insights in four areas: housing and community development, economic development, workforce development, and education and youth services.

The Network's approach to equitable recovery for cities is built on six key principles:

- **Equitable recovery places black and brown communities**, seniors, small businesses and children at the center. It begins with respect, works to gain trust, and builds on community priorities and strengths. Many of these communities have been hardest hit – often deemed essential, yet economically vulnerable and relegated.
- **Equitable recovery is built on cross-sector solutions.** These crises impact multiple sectors – from housing and food security, to employment and local businesses, to mental health and city budgets. The challenges compound each other, and effective solutions are integrated.
- **Equitable recovery builds on successful emergency response activities** and any equitable pre-COVID practices, and these successes are integrated into standard practice moving forward.
- **Equitable recovery addresses acute fiscal challenges** in communities, as recovery requires solvency. Effective financial planning invests in equitable outcomes.
- **Equitable recovery leverages and aligns funding so** that each dollar has multiple impacts – supporting food secure households better connecting through improved broadband access in healthy homes, more accessible to good schools and jobs, in thriving communities.
- **Equitable recovery addresses pre-existing inequities** that led African American, Latinx and other groups to be more vulnerable to the negative health and economic impacts of COVID-19. Equitable recovery does more than just return to the pre-COVID baseline.

### COVID-19 in Rockford

The City of Rockford the fifth largest city in Illinois, with a population of approximately 147,000 residents. The City's population is 67.7% White, 21.6% Black, 3.4% Asian, 0.3% Native American, and 4.3% multiracial. Further, 18.4% of residents identify as Hispanic or Latino, and 11.8% of the population is foreign born. In 2019, 22.3% of City residents lived below the poverty line, compared to 15.6% for Winnebago County and 12.5% for the state of Illinois. More than one-third of Rockford's children live below the poverty line. Black residents are more than twice as likely as White residents to live below the poverty line, and Hispanic residents are 75% more likely to live below the poverty line than Non-Hispanic White residents. **Equitable recovery in Rockford must confront racial inequities head-on and prioritize solutions that provide greater access to opportunity for Black, Latinx and other marginalized communities.**

Incorporated in 1839, Rockford is the county seat for Winnebago County. The City operates under a Mayor-Alderman form of government and is the largest non-home-rule City in Illinois. The City's General Fund budget for Fiscal Year 2021 is \$168.5 million and the total budget across all funds is \$295.3 million. The largest sources of revenue for the City government are property taxes (20.5% of revenue across all funds), sales taxes (20.1%), intergovernmental revenue (22.6%), and charges for services (20.7%). Employee salaries and benefits account for more than half of the City's expenses (52.9%), while contracts and supplies (23.6%) and capital projects and equipment (12.6%) comprise other major categories of City spending. The City's fund balance policy requires a fund balance equal to or higher than 20% of the adopted General Fund budget appropriation. At the end of 2020, the City's General

Fund balance was \$43.1 million, 25.6% of the 2021 adopted General Fund budget. The City's budget outlook to 2027 projects shortfalls starting in 2023, which underscores the need to continue its focus on shoring up the core municipal services despite an infusion of federal funding to support broad community investments in programs and infrastructure.

2021 Budgeted Revenues (All Funds)		
Property Taxes	\$60.4 million	20.5%
Sales Taxes	\$61.9 million	21.0%
Intergovernmental Revenues	\$66.8 million	22.6%
Service Charges	\$61.0 million	20.7%
Licenses & Fines	\$7.8 million	2.6%
Interest Income	\$19.2 million	6.5%
Other Revenues	\$18.2 million	6.1%
<b>Total Revenues</b>	<b>\$295.2 million</b>	<b>100%</b>

2021 Budgeted Expenses (All Funds)		
Salaries	\$86.0 million	29.1%
Fringe Benefits	\$70.3 million	23.8%
Contracts & Supplies	\$69.7 million	23.6%
Capital Projects & Equipment	\$37.1 million	12.6%
Other Expenses	\$32.3 million	10.9%
<b>Total Expenses</b>	<b>\$295.3 million</b>	<b>100%</b>

Projected City Budget Revenues and Expenses, 2022-2027												
	2022		2023		2024		2025		2026		2027	
	Budget		Projected		Projected		Projected		Projected		Projected	
Revenue	\$	181,590,923	\$	181,487,690	\$	183,896,684	\$	186,372,295	\$	188,916,544	\$	191,528,807
Expense	\$	181,556,231	\$	182,968,009	\$	186,535,298	\$	191,119,255	\$	195,344,496	\$	200,223,789
Net	\$	34,692	\$	(1,480,319)	\$	(2,638,614)	\$	(4,746,960)	\$	(6,427,952)	\$	(8,694,982)
Cumulative			\$	(1,445,627)	\$	(4,084,241)	\$	(8,831,201)	\$	(15,259,153)	\$	(23,954,135)

Like most communities around the nation, the City of Rockford experienced major economic challenges due to the COVID-19 pandemic. At the height of the pandemic, unemployment in the Rockford metropolitan area increased to 22.5% in April 2020, compared to 7.5% in January of that year. Between 2019 and 2020, the City saw revenue from sales tax revenue decline by about 6%, with notable shortfalls in hotel and motel tax revenue compared to budgeted amounts. The City's 2021 budget for sales tax revenue is about 16% lower than the amount budgeted in 2020. In addition to the fiscal and economic impacts of COVID-19, the pandemic also brought social and psychological impacts that are more difficult to measure locally, but nonetheless profoundly challenging for City residents. These challenges are disproportionately borne by residents in the City's low-income communities.

The City has received recovery funds through various federal programs to respond to the COVID-19 pandemic and its negative health and economic impacts. A sample of federal funding awards includes:

- \$2.3 million in Community Development Block Grants – Coronavirus (CDBG-CV) under the CARES Act
- \$1.8 million in Emergency Solutions Grants – Coronavirus (ESG-CV) under the CARES Act
- \$54.8 million in State and Local Fiscal Recovery Funds (SLFR) under ARPA

These funding programs create a unique opportunity for Rockford to enhance local recovery efforts while also addressing long-standing disparities in health, economic, and social outcomes. Additional federal funding programs that may result from pending legislation also have the potential to impact resources available for equitable recovery in Rockford, either through direct allocation of funding to the City or through advocacy and collaboration with the State of Illinois or other local public agencies.

## Equitable Recovery Impact Areas

Rockford's economic recovery will require cross-sector collaborations and a shared commitment to achieving equitable outcomes. The Network's experience working with cities across the country has led us to identify critical impact areas where cross-sector investment and collaboration will be essential to Rockford's equitable recovery. As Rockford looks ahead to recovering equitably, there is need for collective action to address the following impact areas:

- **Housing Stability:** COVID-19 has exacerbated Rockford's housing challenges and underscored disparate impacts on neighborhoods and residents. In addition to immediate relief, equitable recovery presents an opportunity to rethink the City's long-term housing strategies.
- **Equitable Access to Child Care & Youth Services:** Childcare access affects a household's ability to participate in education and employment. Further, early education and childcare providers are an often-vulnerable population whose income stability has been shaken by the pandemic. In addition to the economic challenges created by COVID-19, children are also particularly vulnerable to the social, emotional, and psychological impacts of the pandemic. Expanded access to early education as well as learning, social, emotional, and mental health support services for school-aged youth will be critical to equitable recovery in Rockford.
- **Equitable Access to Quality Jobs:** COVID-19 displaced and interrupted education and career pathways for many individuals, particularly those in low-wage or hourly jobs such as hospitality, retail and food service. Those working in jobs designated as "essential" often experienced greater impacts on the health and stability of individuals and families during closures. Immediate relief is needed to support and reskill those displaced while work is done to develop accelerated pathways to obtain valuable skills and quality jobs for future resilience.
- **Sustaining Small Businesses:** COVID-19 has had a detrimental impact on small businesses, particularly retail, personal care and restaurants, including many minority and New American-owned businesses. Minority and immigrant-owned small businesses often face barriers to receiving federal and local financial support. Reaching underserved business owners and entrepreneurs will require intentional efforts to build relationships, trust and credibility. Partnership with community organizations and affinity groups is critical to sustaining small businesses through recovery.

## Cross Cutting Themes

The following chapters of the assessment report detail key observations and recommendations in each of the four critical impact areas (housing, education, workforce, and economic development). The Network's assessment also surfaced several recurring themes that emerged across all impact areas. These include the following:

- **Collaboration:** Across all four impact areas, the need for cross-sector collaboration was clear. The City will need to effectively engage and maintain strong working relationships with partners in housing, education, and private business to promote an equitable recovery in Rockford. Despite past challenges with cross-sector partnerships, they are critical to sustaining Rockford's economic recovery and it is imperative that Rockford undertake a collective approach to achieving equitable outcomes. **This City cannot do this alone. Achieving equity will require collective cross-sector commitment to action.**
- **Building on success:** Despite many challenges, Rockford has successes that present models for future recovery and local practices to create real and lasting change. Rockford was the first city

in the country to achieve **0% veteran homelessness**. This important work demonstrates the possibility inherent in tackling entrenched – seemingly intractable – social realities and affecting positive changes that contribute to equitable outcomes. Similarly, Rockford has prioritized collective and collaborative efforts to confront domestic violence and youth violence in the community through the launch of the **Family Peace Center**, a ground-breaking approach that is a model for other cities seeking to address and heal community trauma. These efforts are models for cross-sector and inter-agency collaboration that will be essential to Rockford’s equitable recovery. **They demonstrate the City’s ability to positively impact community concerns in spite of limited capacity and funding – and point to strong precedents for implementation to support equitable recovery.**

- **Public engagement:** As the City plans for enhanced programming to support an equitable recovery, it will be important to engage directly with residents, workers, and business owners to fully understand the needs and priorities of those most directly impacted by the pandemic. Active outreach and authentic engagement are essential to ensuring that new solutions are surfaced to address long-standing challenges.
- **Diversity and representation:** Representation is a critical element of equity in any community. While engaging partner organizations and the public in planning for recovery, the City will need to ensure diverse representation reflective of the diversity found in the community. The City’s recovery programs should maintain an emphasis on diversity and equity and intentionally strive to identify and address long-standing disparate impacts across all four impact areas. Racial inequity in Rockford has deep roots over many decades – addressing critical equity concerns will require collective commitment and a focus on building trust that the future can look different than the past. The City has an opportunity to improve trust through modelling inclusivity and a making a visible commitment to equity through pursuing its own internal diversity, equity and inclusion (DEI) analysis, and being transparent in efforts to remedy disparities.
- **Access to local data:** Acquiring and maintaining neighborhood-level data on the effects of COVID-19 across all impact areas will allow the City to be better able to identify and address disparate impacts and target recovery funding in the areas of greatest need. The SLFR funding program allows funds to be used to enhance the efficacy of recovery programs through improved data collection and analysis. Enhanced data access will also allow the City to evaluate the impact of federal recovery funds as well as local resources, to track progress over time, and to course-correct where needed. Data is essential to understanding the recovery impacts of programs and policies, as well as highlighting opportunities for course correction and innovation. **Data provides needed information to ensure that equity impacts are being realized.**
- **Strategic use of federal recovery funds:** The City has access to federal recovery funds through various programs authorized under the CARES Act and ARPA. While all of recovery funding programs are intended to support local recovery from the pandemic, each program has specific requirements and timelines that should be considered.

For example:

- Funding received through the ESG-CV program can be used to prevent eviction and homelessness related to the COVID-19 pandemic;



- Funding received through the CDBG-CV program can be used for a wide range of CDBG eligible activities that help to prevent, prepare for, or respond to the pandemic; in general, the restrictions that apply to traditional CDBG funding would also apply to these resources, with certain flexibilities explicitly outlined in federal guidelines;
- ARPA-SLFR funding can be used to support households, businesses, and communities that have experienced adverse health or economic impacts from the pandemic; for many of the activities eligible for SLFR funding, COVID impact is presumed when the activity is targeted to a qualified census tract (census tract with 50% of the population at or below 60% AMI, or a 25% or higher poverty rate); and
- ARPA-SLFR Revenue Loss funding can be used to replace revenues lost due to the pandemic and can be used by the City with far more flexibility.

In planning for an equitable recovery, the City should strategically sequence and deploy its federal funding to maximize the impact these resources will have on the community. A strategic funding approach will also enable the City to absorb and deploy future federal resources effectively to further equity.

## Equitable Recovery Recommendations

Specific observations and recommendations across each of the four major impact areas are outlined in the following chapters. Recommendations are broad and reflect the assessment approach of this pilot effort. The assessment process was designed to highlight key strengths, critical disparities and important opportunities for next steps to address historic inequities as part of the City’s recovery planning. The following recommendations present broad next steps for consideration as the City moves forward. For additional depth of analysis, prioritization and sequencing, the City should undertake a full strategic planning process. The following table provides a summary of recommendations included in each of the sections of this assessment report:

<b>Housing and Community Development</b>
<b>Coordinate Housing Partners around a City-led Strategic Response:</b> Pursue strategic outreach, public engagement, and capacity building opportunities with local service providers (community-based organizations, affinity groups, places of worship, etc.) to bring new partners and community voices to the table and coordinate a cross-sector recovery strategy
<b>Improve Data Collection and Sharing:</b> Develop early warning systems that track indicators of neighborhood change and allow stakeholders to adapt their responses to meet the specific needs of communities
<b>Increase Housing Support Services to Promote Racial Equity:</b> Implement affirmative outreach and marketing strategies to promote support services and housing opportunities to target communities; evaluate existing city programs and applications for potential biases or barriers to application/program completion
<b>Promote Property Improvements and Good Landlord Incentives:</b> Structure loans, grant programs, and financial products to provide funding for improvements to substandard housing for both owner-occupants and investors; Introduce additional landlord requirements and tenant-friendly policies
<b>Revisit the National Resource Network’s 2019 Neighborhood Revitalization Strategy:</b> Implement strategic code enforcement policies with a focus toward establishing a culture of compliance; continue demolition of unsafe structures
<b>Education</b>
<b>Shared Outcomes, Policy Agenda:</b> Develop a set of shared outcomes – from access to quality childcare and preschool to school readiness rates to early literacy and middle school math to postsecondary success; develop a shared policy agenda and mobilize partners and the community around the changes that will have the most impact on children and families
<b>Investing in Childcare, Learning Loss, Health:</b> Invest in initiatives that address the shortage of childcare seats, getting students back on track in school, and making sure children are getting the mental and behavioral supports they need; invest in a network of supports to address learning loss
<b>Publish and Address Disparities:</b> Task a team of leaders with collecting and publishing disparities data; develop an action plan to address disparities with cross-sector buy-in from the community
<b>Workforce Development</b>
<b>Strengthen Coordination Across the Workforce Ecosystem:</b> Develop local diversity hiring practices; Support soft-skill training and the expanded role of local community colleges in supporting these programs; partner with existing workforce development organizations to create prisoner re-entry and workforce programs for non-violent offenders; build on job stabilization by upskilling and reskilling in growing trade, transportation, utilities, and manufacturing jobs

<b>Improve Public Transit:</b> Re-envision transit planning focused on equity and inclusivity; elicit input from residents and other users of public transit to inform transit planning decisions; develop partnerships with major employers to establish transit lines to major employment centers
<b>Improve Community Infrastructure, Internet Access and Public Information:</b> Continue to pursue investment in expanding broadband to neighborhoods, particularly in West Rockford; develop small workforce hubs and/or reopen libraries in neighborhoods with high unemployment and underemployment
<b>Lessen Cost Burden of Childcare:</b> Develop a childcare voucher or subsidy program for low-income and middle-income families; invest in an entrepreneurship and TA program to nurture an increase in the volume of small childcare businesses in Rockford
<b>Improve Workforce Health Care Concerns:</b> Create a certification program for businesses to meet specific health and safety standards so the workforce will feel more comfortable returning to work
<b>Improve Wage Disparities:</b> Develop a living wage to encourage more employers in Rockford to provide better, more sustainable wages to their workers
<b>Address ‘Middle Skills’ Gap:</b> Invest in ‘middle skills’ training by developing more apprenticeship and ‘paid internship’ models with local employers
<b>Economic Development</b>
<b>Demonstrate leadership in inclusivity and racial equity by modeling equitable business and workplace practices</b> – conduct an internal diversity, equity and inclusion (DEI) audit; set diversity hiring targets; ensure that every City task force, committee and working group is inclusive of Rockford’s diversity and includes representatives from the Black, Latinx and immigrant communities.
<b>Leverage its role to lead inclusive public procurement to support MWBE business growth</b> – leverage stimulus funding to commission a disparity study on the City’s utilization of MWBEs; host MWBE outreach and education sessions to help Rockford-based MWBEs successfully apply for and win City contracts
<b>Commission a Small Business and Entrepreneurship Assessment and Action Plan</b> – gain insight into the local small business ecosystem, with a particular emphasis on MWBE businesses, provide guidance to address disparities, barriers and opportunities.
<b>Prioritize data-driven decision-making to increase access to market opportunities and capital for minority, immigrant and women-owned businesses</b> – develop data-sharing agreements between the City, GRGP, RLDC, the SBDC and others to provide a centralized data bank on local businesses in Rockford
<b>Leverage stimulus funds and private sector dollars to launch a Small Business and Entrepreneurship investment fund</b> to close racial wealth divide for entrepreneurs and small business owners of color
<b>Expand efforts to invest in Black, Latinx, immigrant and women-owned businesses</b> – target federal small business relief funds to historically disadvantaged businesses through education, outreach and connections to non-traditional lenders, where possible
<b>Strengthen its childcare business sector to support equitable economic recovery</b> – provide tailored outreach and programming to meet the specific needs of the childcare industry

## II. Housing and Community Development

### Overview

The City of Rockford, IL experiences several challenges related to housing and community life. The significant decrease in population over past decades has resulted in city-wide vacancies, a weakened real estate market, and a surplus of aging structures leading to lead and mold exposure.

Rockford is also one of the most segregated cities in Illinois, particularly between Black and white communities, which reflects a decades-long history of inequitable investment, structural racism is federal, state, and local policies, social isolation, and fragmented service delivery.<sup>1</sup> Rockford's history of racial inequity presents challenges to community quality of life and safety across the city, but particularly in the west and south side neighborhoods.

However, recent efforts to improve the quality of life for residents, and spur investment and rehabilitation have started to show success and promising signs of a recovering real estate market. The City has made multi-year investments to support community development and empowerment, specifically through the creation of the Family Peace Center and an expanded focus on domestic and community violence, mental health services, and youth programming.

In 2018, Rockford reached “Functional Zero” in unsheltered homelessness for homeless veterans, as well as people with disabilities experiencing chronic homelessness. Several west side neighborhoods that have faced decades of disinvestment have been approved for multi-million-dollar physical improvements, most recently along West State Street and Auburn Street. As these initiatives expand, and with the support of local partner agencies, the City has been able to better leverage resources to address the instances of vacancy and blight that remain visible across the city.

Table 1: Rockford, IL Data Snapshot		
Population Demographics	Rockford	Winnebago County
Total population (2015-2019)	147,070	284,819
Median household income	\$44,252	\$54,489
Immigration Data/"Foreign Born"	11.84%	8.4%
Unemployment Rate (April 2021)	9.7%	9.7%
Poverty Rate	22.28%	15.56%
Population in Subsidized Housing (2020)	6.92%	3.89%
Estimate of Homeless Population (2018)	-	256
Household Trends		
Median Home Value	\$91,600	\$120,400
Owner Occupancy Rate	54.25%	65.86%
Rental Occupancy Rate	45.75%	34.14%
Vacancy Rate (Residential)	10.41%	8.69%
Vacancy Rate (Businesses)	18.31%	15.39%
Eviction Filing Rate (2016)	4.55% (+2.21 U.S. average)	3.81% (+1.47 U.S. average)
Percent Households that are Doubled-up	-	11%
Population in Subsidized Housing (2020)	6.92%	3.89%
Percent of Households Who Rent by Race (2015-2019)		
White	37.41%	28.19%
Black	72.34%	68.61%
Asian	39.56%	33.88%
Hispanic or Latino	47.56%	45.63%

*Source: Rockford Data Snapshot by Enterprise Community Partners, retrieved from 2021 POLICYMAP, U.S. Census Bureau, American Community Survey, Census Reporter.*

<sup>1</sup> Maciag, Mike. “Illinois Residential Segregation Data.” Governing. Jan 8, 2019. <https://www.governing.com/archive/illinois-residential-segregation-data-trends-for-metro-areas.html>.

Reflecting Rockford's stabilizing real estate market, foreclosure rates have steadily decreased, and vacancy rates (including both owner and renter units) have decreased over the last 7 years from a high of 12.9% in 2013 to a low of 10.4% in 2019.<sup>2</sup> In partnership with the Northern Illinois Land Bank and Winnebago County Trustee program, the City is conducting targeted blight removal, converting over 390 parcels and producing over \$1.29 million in total sales, that establish a replicable model for property acquisition and affordable housing preservation. Home list and sale prices have been rising since 2014 and rents have similarly increased over time.<sup>3</sup> 2017 data indicate that Rockford's population has stabilized and employment in Winnebago County has rebounded from lows following the Great Recession. In contrast, homeownership rates in Rockford have fallen slightly since 2000 from a high of 60.5% in 2010 to a low of 54.2% in 2019.<sup>1</sup>

Since the pandemic, there has been an increased volume in housing activity with individuals looking to refinance, purchase properties, or make home improvements that have been driving local real estate market price increases. In interviews to support this assessment, community representatives expressed some concern that most of this activity has not been from first-time homebuyers, rather more experienced buyers who had easier access to capital and could place offers quickly.<sup>4</sup> While smaller development efforts have taken place across the city, downtown Rockford has seen considerable investment in recent years to attract investors and support local small business ventures. While community displacement due to rising rents and gentrification do not appear to be immediate threats to residents and community stakeholders, there is real concern about the lack of genuine wealth building opportunities in housing for lower income families who saw little to no return or equity creation for investing in necessary rehabilitation and maintenance improvements. The City of Rockford has planned and implemented several large-scale efforts in recent years, particularly focused on improving infrastructure and blight remediation in west side communities. However, the pandemic has the potential to further destabilize many of the communities that have not yet seen the results of recent investment.

### COVID-19 and Housing Insecurity

Rockford faces many of the same housing and community development challenges it did prior to the pandemic – an abundance of low-quality housing stock often disconnected from community resources, poor physical infrastructure, and one of the highest eviction rates in the state.<sup>5</sup> As activity in the downtown area slowed due to COVID-19 social distancing and shelter in place mandates, the disparities in access between west and east side neighborhoods became more apparent. Many family services, youth programming, and community supports were forced to stop operations abruptly and despite reopening the following year, many programs have lost contact with the individuals and households

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<sup>2</sup> U.S. Census Bureau (2010, 2013, 2019). Vacancy Status, Occupancy Characteristics. American Community Survey 5-year estimates. Retrieved from <https://data.census.gov/cedsci/table?q=homeownership%20Rates%20rockford%20il&tid=ACSDP5YSPT2010.DP04&hidePreview=false>.

<sup>3</sup> Redfin COVID-19 Weekly Housing Market Data. "Median Sale Price in Rockford, IL Metro Area." <https://www.redfin.com/news/data-center/>.

<sup>4</sup> Kolomatsky, Michael. "First-Time Home Buyers Struggle". New York Times. <https://www.nytimes.com/2021/08/12/realestate/first-time-home-buyers-struggle.html>.

<sup>5</sup> Housing Action Illinois: Eviction in Illinois during COVID-19. <https://housingactionil.org/what-we-do/policy-advocacy/eviction/>.

who needed their services. Community members reported declines in social and emotional health as individuals navigated the stress, isolation, and frustrations of an on-going pandemic. For many renters the impact of decreased services came at the same time as large-scale layoffs; in March 2020 Rockford's unemployment rate jumped from 7% to 23% and many laid off workers fell behind in rent payments and increased cost of living expenses.

Although updated data are unavailable, anecdotal reports suggest that a significant number of households owe back rent, have not been in communication with their landlords or have not pursued the available rent relief programs to address the lack of payment (see below). Although the true reason for varied participation is unclear, housing professionals believe that either a lack of awareness of existing programs or the somewhat routine practice of eviction in Rockford neighborhoods has discouraged many households from fighting to stay in their housing.

Although many of Rockford's service providers adapted quickly to provide support to their existing clients, there is limited information available about the scale of need projected after COVID restrictions and protections expire. As of August 2021, \$9.4 million of COVID assistance has been spent or awarded within Rockford to provide rental assistance and shelter, housing supportive services, homelessness prevention, and housing stability. This ability to maintain some sort of stability within households is an incredible accomplishment and speaks to the willingness across agencies and service providers to revise programs and approaches to meet the needs of residents in real time. However, the lack of data and visibility into the number of households who are currently ineligible for financial assistance but will likely need additional support in the oncoming months or year has the potential to overwhelm the City and its partner agencies, as well as further destabilize neighborhoods that have long struggled with community development.

### *HUD-Assisted Housing*

The Rockford Housing Authority (RHA) responded flexibly to the needs of clients and staff during initial COVID response – ensuring the safety and availability of caretakers and service providers, providing personal protective equipment, coordinating food and transportation access, and maintaining resident social networks. The agency focused attention on improving resident services, Low Income Public Housing and Housing Choice Voucher program management, as well as recruitment for the Family Self-Sufficiency program. RHA's 2021 Annual Plan reports a current waiting list of 8,379 unduplicated applications and a waiting period of one to twelve months depending on the family size.<sup>6</sup> In collaboration with the City of Rockford, RHA has been working to streamline the application process for those currently on the chronically homeless list and will continue those efforts throughout the upcoming year.

Although RHA was able to decrease rents for many of their clients during the pandemic, many families and individuals receiving rental assistance, including subsidized Public Housing and Housing Choice Voucher (Section 8) assistance, still faced additional hardship due to loss of income but were not eligible for CARES Act relief. Landlords participating in the Housing Choice Voucher program who accepted Illinois Housing Development Authority Emergency Rental Assistance funding could potentially jeopardize their Housing Assistance Payment (HAP) contract and would be required to return any funds

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<sup>6</sup> Rockford Housing Authority PHA 2021 Annual Plan. <https://www.rockfordha.org/wp-content/uploads/2021/05/Annual-Plan-2021-for-Web.pdf>

received. During assessment interviews, RHA staff expressed particular concern that private entities would not re-enroll in the HCV program following the end of the eviction moratorium and they expect to see several housing opportunities go offline. Although landlord income is secured through the program, staff worried it would not be enough to attract landlords to the opportunity to commit to serving low-income tenants.

### *Renters*

Renters in Rockford struggle with a variety of housing challenges including deteriorating housing stock, delayed repairs, absentee landlords, and fair housing complaints. Although most of the city is considered affordable compared to regional housing markets, the availability of safe, high-quality housing remains out of reach for many low-income residents. Several city and county programs were created in recent years to address these concerns, however support for increased affordable housing options in higher opportunity neighborhoods has remained as elusive, with rehabilitation financing particularly challenging to fund.<sup>7</sup>

Interviewees reported that Rockford's response to COVID-related housing instability has effectively addressed the needs of residents living in poverty and facing eviction. Service providers report that any household directly impacted by COVID-19 can access rent relief or other assistance programs, and that any remaining housing insecurity that may exist is not a result of the pandemic. The extension of the Illinois' eviction moratorium continues to provide some stability to vulnerable households; however, the threat of eviction remains for those unable to meet program requirements or receive legal counseling. Eviction is devastating in and of itself, but for many families the stress, loss of community, disruptions in education, and impact on young people can be especially unsettling. With the upcoming availability of federal funding for community support services, housing providers have an opportunity to examine their existing programs, organizational operations, and approach to address gaps and opportunities for improvement.

In March 2021, an \$8.3 million Emergency Rental Assistance Grant was made available to Winnebago County residents living in qualified census tracts to provide financial help in paying arrears due to COVID-19 hardships.<sup>8</sup> Renters could apply for coverage to pay up to 12 months of past due housing bills, including electric, gas, water, wastewater or sewer, trash removal and internet services. Winnebago County partnered with the City's Health and Human Services Department to distribute these funds; however, the level of coordination and capacity necessary to administer the program proved to be a challenge for the County, and the City of Rockford terminated their inter-agency agreement in order to service their residents directly. Several agencies such as HomeStart and the Community Action Agency partnered with City offices to support the launch of the rental assistance program during initial rollout before developing their own response programs as funds became available.

### *Homeowners & Landlords*

Most recent housing trends indicate signs of a recovering real estate market for the City of Rockford. Many of the neighborhoods identified as "Middle" during the National Resource Network's 2019 study

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<sup>7</sup> Parker, Molly. "Inside Illinois' problem public housing." The Southern Illinoisan, ProPublica. <https://www.rrstar.com/news/20191214/inside-illinois-problem-public-housing>.

<sup>8</sup> WIFR Newsroom. "Winnebago Co. tenants, landlords can apply for funding to pay past due rent." Apr. 5, 2021. <https://www.wifr.com/2021/04/05/winnebago-co-tenants-landlords-can-apply-for-funding-to-pay-past-due-rent/>



have experienced an increase in demand over the last year.<sup>9</sup> The amount of time units are on the market has significantly decreased and higher value homes have recovered to pre-2008 prices.<sup>3</sup> Community members interviewed throughout the assessment did not express particular concern for potential displacement or gentrification in Rockford; rather stakeholders continue to champion rehabilitation targeted at older neighborhoods with a greater presence of substandard housing, deferred maintenance, or a lack of personal funds to manage home repairs.

While there have been signs of improvement, the real estate market remains weak for many areas of the city. The pandemic has increased barriers to neighborhood stability as code enforcement inspections stalled, first-time homebuyers struggled to win bids on quality housing against buyers with greater access to capital; increased construction costs have slowed housing rehab programs, and apartment owners have been unable to make mortgage payments or invest in property improvements due to a lack of rental income from tenants. The long-term effect of outstanding arrears and rental payments is still unclear. However, the potential for widespread housing insecurity to spread throughout the city could undo years' worth of housing progress, allowing structures to deteriorate even further and many community connections to be lost.

Although Rockford's response to COVID-19 has focused primarily on rent relief, physical investments in infrastructure, small business supports, and community building remain top priorities for residents. To date, the City has been very intentional about developing a strategic response to these community challenges and has positioned itself to expand programs like the Northern Illinois Community Development Corporation's (NICDC) Housing initiative to purchase vacant or foreclosed residential properties to renovate and sell for a profit that contributes to a stronger neighborhood with improved service provision. Expanding the impact of these investments will take firm leadership and coordination with key partners – such as HomeStart and Rockford Housing Authority – who can bring potential buyers and financing products to the table. The equitable recovery goal of this coordination should be long-term stability and progress for Rockford's hardest hit communities.

### *Homelessness and Homelessness Prevention*

Rockford has made real progress in addressing homelessness in recent years, achieving Functional Zero for Veteran and Chronic homeless populations at the end of 2019.<sup>10</sup> The Department of Health and Human Services also reported that Rockford recently reached Functional Zero for families with children and is using the same strategies for case management to provide wrap around services using federal Emergency Solutions Grants in coordination with funding from community partners.

While the City and its partner agencies have been able to administer their emergency relief allocations, there is concern that the existing tenant advocacy groups and legal support services will be overwhelmed once the eviction moratorium ends and court proceedings resume. Several evictions - legal and illegal – have taken place over the last year. However, housing partners launched widespread outreach to all residents to ensure they had updated information on rent relief and eligibility requirements for assistance.

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<sup>9</sup> National Resource Network. "City of Rockford: Neighborhood Revitalization Strategy."

[https://nationalresourcenetwork.org/resources\\_post/city-of-rockford-neighborhood-revitalization-strategy/](https://nationalresourcenetwork.org/resources_post/city-of-rockford-neighborhood-revitalization-strategy/).

<sup>10</sup> Ranney, Kaitlyn. Rockford, IL: Functional Zero Case Study. Community Solutions. Jul 13, 2020.

<https://community.solutions/case-studies/case-study-rockford-illinois-reaches-and-sustains-functional-zero-for-veteran-and-chronic-homelessness/>.



## COVID Policy & Program Response

According to Illinois Governor J.B. Pritzker, the statewide ban on evictions will be phased out by August 31, 2021. The Governor's moratorium no longer prohibits the filing of new eviction actions and initial court dates and status dates may be heard although physical evictions cannot take place until the CDC's eviction moratorium expires on October 3, 2021. Updates to the moratorium have also introduced more narrow definitions of Covered Persons who meet eligibility requirements.<sup>11</sup> Based on the new CDC order, the Illinois Supreme Court may issue a new amended order so this situation is tentative and may continually change. Nothing in the moratorium forgives a tenant's obligation to pay their rent, rather it provides renters with stable housing until the moratorium lapses. For Rockford residents, some evictions have already started to take place. The City resumed water shutoffs in January 2021 but has more than doubled its regular annual assistance program, from approximately \$40,000 to \$87,600 over the course of 2021 in an attempt to prevent shutoffs for those who suffered due to the pandemic. Although eligible individuals continue to be priority recipients for emergency assistance, the threat of housing instability for households caught in between program requirements is of great concern.

Before Congress passed the COVID relief package at the end of 2020, the Illinois Housing Development Authority (IHDA) managed the largest rental assistance program in the country, distributing more than \$230.6 million in Coronavirus Relief Funds (CRF) and becoming the only state to fully disburse its funds by the December 30, 2020 deadline.<sup>12</sup> With demand for rental assistance exceeding that for mortgage assistance, available funding was redistributed to prioritize emergency rent relief. By the end of 2020, the program funded all eligible and complete applications, distributing nearly twice as much rental assistance as the other top five largest statewide programs in the country. Throughout assessment interviews, practitioners believed that this early and quick injection of funds into the most vulnerable households is what curbed many of Rockford's housing instability concerns and allowed service providers to better manage cases as the pandemic continued and additional relief packages were awarded.

Within the City, Mayor Tom McNamara developed industry-specific rebound groups during March and April 2020 to address key topic areas during the pandemic. While some groups have disbanded or merged with others, several have continued to work towards identified goals and have become a launching point for long-term planning on community challenges. Although one of the leading priorities for the city has been to provide rental assistance, several other awards (e.g., CDBG, Individual Development Accounts) have been combined to extend outreach to marginalized community members facing additional cultural, language, and capacity barriers when seeking government assistance.

Although the flexibility of relief packages such as the CARES Act and ARPA have increased opportunities for robust outreach and active partnership with community organizations, streamlined application processing, inclusivity, and responsiveness to ongoing guidance and legislation, several gaps still exist

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<sup>11</sup> Illinois Courts. Special Rules Regarding Eviction Cases During the Pandemic.

<https://www.illinoiscourts.gov/forms/approved-forms/forms-approved-forms-circuit-court/eviction#:~:text=Illinois%20Supreme%20Court,protected%20by%20the%20Governor's%20Moratorium.>

<sup>12</sup> Nair, Neetu and Alfonzo L. Mendoza. "Emergency Rental Assistance Case Study: Illinois Housing Development Authority's 2020 Emergency Rental Assistance Program. National Low Income Housing Coalition. July 22, 2021. [https://nlihc.org/sites/default/files/Illinois\\_Emergency-Rental-Assistance-Case-Study.pdf](https://nlihc.org/sites/default/files/Illinois_Emergency-Rental-Assistance-Case-Study.pdf).

within COVID-19 response efforts. For those eligible for rental assistance, completing the enrollment process presented its own challenges as program administrators reported applicant dropouts due to an inability to gather documentation (income streams, formal lease documents, Social Security benefits, etc.), contact the applicant, engage the applicant's tenant or landlord, or complete the initial intake form.<sup>13</sup> From the most recent round of funding, IHDA received nearly 81,000 completed applications as of July 2021, approved 15,700, and paid out \$129 million to 14,150 affected households.<sup>14</sup> Local funding data is unavailable at the time of this report, but if local trends mirror those at the state level, then there are likely many households in Rockford that remain unassisted to the full extent of assistance for which they may be eligible. An inability to disburse funding or attract eligible applicants means that program administrators must take additional steps to adjust and promote existing programs to meet resident needs.

### *Housing Partnerships*

Although the City has developed strong equity frameworks across their community programs, limited departmental capacity and staffing has prevented the City from being able to lead many of these innovative housing solutions. An equitable recovery for Rockford will rely on the willingness of local community partners to step forward and champion a new approach to pre-existing housing challenges. The City of Rockford has begun the process of launching a community development finance institution (CDFI) in partnership with Rockford Local Development Corporation and the NICDC to further facilitate the production of quality, affordable housing at a larger scale across the region. Beyond housing production and preservation, the City has also expressed interest in partnership opportunities that promote household stability and eviction/foreclosure prevention, and to strategically allocate city funding for rehabilitation of dilapidated properties.

Across assessment interviews, a genuine willingness to protect Rockford's most vulnerable residents was clearly present. There was also some concern about programmatic competition or lack of coordination between some community-focused organizations. While initiatives like the Family Peace Center coming out of the Mayor's office appear to gain traction, similar progress has not materialized within the community development sector as many partners struggle to adapt or have differing opinions about how to achieve desired outcomes. Although, several initiatives, working groups, and projects are underway, implementation timing and effectiveness varies based on internal capacity, financial resources, and clarity of direction. Guided coordination and sequencing within Rockford's housing sector may result in more impactful community improvement projects, creating communication between groups independent of personal or historical relationships.

Interviewees also voiced concern mental health services and community engagement are underrepresented in current housing and community development efforts. Although increased communications and social media planning have resulted in greater participation from more rural populations in Winnebago and Boone County, local Latinx and resettlement communities struggle to access existing services and relief funds. Several community-based organizations and nonprofits, such as the United Way and Catholic Charities, have come forward during the pandemic to request partnerships

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<sup>13</sup> Housing Crisis Research Collaborative. "Learning from Emergency Rental Assistance Programs – Lessons from Fifteen Case Studies." <https://nlihc.org/sites/default/files/ERA-Programs-Case-Study.pdf>.

<sup>14</sup> 13 WREX Newsroom. "Rental assistance available in Illinois as eviction moratorium nears end." WREX. Jul. 14, 2021. <https://wrex.com/2021/07/14/rental-assistance-available-in-illinois-as-eviction-moratorium-nears-end/>.

and MOUs to expand social services and provide an opportunity to increase resident participation in program design and delivery. Community organizations are often better equipped to address cultural barriers, shed light on previously unidentified challenges, and help residents access assistance than larger municipal or county administrators.

Across program types and disbursement processes, COVID-19 has revealed the importance of considering racial and ethnic equity in the design and implementation of emergency relief as communities of color continue to be disproportionately affected. Future response efforts should target vulnerable populations and monitor program outcomes, build internal capacity and administrative infrastructure, and develop a partnership network with nonprofit organizations to improve local offerings.<sup>10</sup>

### Recommendations for Equitable Recovery

Many of the following proposed recommendations apply new approaches to reoccurring problems, potentially using ARPA funds for eligible responses and reallocating pre-existing dollars to non-COVID related housing concerns. As identified in the Network's 2019 Neighborhood Revitalization Strategy<sup>8</sup> and the City's FY 2020-2024 Neighborhood Revitalization Strategy<sup>15</sup>, Rockford has a clear list of actions to improve neighborhood conditions, many of which would not be feasible if not for the early investment in foundational support services established in recent years. Specific to COVID-19, Rockford should continue to focus response efforts on preventing evictions and improving the quality of existing housing, primarily via landlord or homeowner investment. As additional funding becomes available, either through ARPA or the Infrastructure Bill, the City should prepare to leverage flexible funding to fill financing gaps and adjust programs to respond to new opportunities as they arise.

The City should lead the coordination of housing and community development initiatives if any significant progress is to be made on addressing the rate of housing instability experienced by residents. **The City is well positioned to facilitate coordination across the region and leverage available funds as an investment tool for direct services, however community partners will be instrumental in executing short- and long-term plans for equitable recovery.** Now is the time to grow partnerships that think more strategically about direct service provision and affordable housing production beyond the typical financing tools.

#### *Coordinate Housing Partners around a Collaborative Strategic Response*

- Address organizational hierarchies, generational differences, and instances of racial bias that hinder effective coordination and partnership efforts in community development
- Pursue strategic outreach, public engagement, and capacity building opportunities with local service providers (community-based organizations, affinity groups, places of worship, etc.) to bring new partners and community voices to the table
- Convene key partners to review recovery strategies and coordinate a cross-sector response to immediate housing instability and service delivery
- Implement programs around community-identified needs to increase the likelihood of program uptake and success. Introduce additional priority criteria that targets vulnerable

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<sup>15</sup> City of Rockford. Neighborhood Revitalization Strategy Area FY 2020-2024. <https://rockfordil.gov/wp-content/uploads/2019/12/City-of-Rockford-NRSA-Executive-Summary-DRAFT-12-16-19.pdf>.

households – ex. disadvantaged census tracts with high rates of COVID infections, unemployment, households with fewer assets, etc.

#### *Improve Data Collection and Sharing*

- Facilitate data sharing across community partnerships to develop early warning systems that track indicators of neighborhood change and allow stakeholders to adapt their responses to meet the specific needs of communities (e.g., landlords and homeowners facing foreclosure, overcrowded and unsafe housing units, unlawful evictions, etc.)
- Share rental market data on a regular basis (monthly or quarterly) to ensure that funding and programmatic decisions are evidence-based and reflect community needs. Key data points include:
  - Number of landlords renting property in the city, total units by landlord
  - Estimated number of landlords at risk of foreclosure due to COVID-related non-payment of rent
  - Estimated number of affordable units at risk of becoming unaffordable due to expiring affordability requirements or rent increase

#### *Increase Housing Support Services to Promote Racial Equity*

- Implement affirmative outreach and marketing strategies to promote support services and housing opportunities to target communities – new Americans and resettlement communities, ESL speakers, and low-income Black and Brown households
- Utilize ARPA funding to close financing gaps and provide direct assistance to households' ineligible for traditional housing relief programs due to CDBG or ESG income requirements<sup>16</sup>
- Co-design policies and flexible program models with organizations that have direct ties to target populations. Evaluate existing city programs and applications for potential biases or barriers to application/program completion
- Make the case to additional funders (private, nonprofit, institutional) about specific community needs that may not fall under federal program guidelines regarding provisions such as income limits, fair market rent (FMR), and tenure
- Allocate funding to tenant advocacy and eviction/foreclosure prevention programs (ex. Prairie State Legal Services) to expand and promote intervention services

#### *Promote Property Improvements and Good Landlord Incentives*

- Structure loans, grant programs, and financial products to provide funding for improvements to substandard housing for both owner-occupants and investors
- Introduce additional landlord outreach to improve deployment of emergency rental assistance funding, and to promote tenant-friendly housing practices, such as streamlined inspection processes for high quality units; encouraging payment plans with fractional payment schedules that accommodate an unpredictable job market; waiving late fees; or promising not to move forward with eviction for a specified length of time.

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<sup>16</sup> Johnson, Kim and Rebecca Yae. "Best Practices for state and Local Emergency Rental Assistance Programs." National Low Income Housing Coalition. <https://nlihc.org/sites/default/files/Best-Practices-for-State-and-Local-Emergency-Rental-Assistance-Programs.pdf>.

### *Revisit the National Resource Network's 2019 Neighborhood Revitalization Strategy*

- The City should continue to implement strategic code enforcement policies with a focus toward establishing a culture of compliance and continue demolition of unsafe structures. In areas where there are real concerns of blight encroachment, the City should prioritize demolition and rapid tactical reuse of the resulting vacant lots as gardens, gathering areas, mini-parks, and arts venues. Where clusters of vacant lots provide opportunities to create larger development sites, the City should prioritize parcel assembly and marketing to infill developers.
- Promote homebuyer assistance and down payment programs in target neighborhoods
- Increase outreach to services, programs and volunteer groups that can assist with age-in-place and accessibility upgrades that create safer housing conditions
- Neighborhood associations should prioritize inclusivity and diversification of membership and leadership

### *Funding Considerations*

- CDBG-CV funds allocated to Rockford under the CARES Act can be used for any CDBG-eligible activity that prevents, prepares for, or responds to COVID. Examples of CDBG-CV eligible activities aligned with the above recommendations include:
  - Responding to living conditions (such as mold, lead-based paint, and poor ventilation) associated with more severe coronavirus disease or poorer post-COVID health outcomes by rehabilitating multi-family rental buildings to comport with standard building codes and public health advice.
  - Responding to residential over-crowding associated with coronavirus spread and with more severe coronavirus disease and poorer post-COVID health outcomes by converting a vacant or abandoned commercial structure to affordable housing.
  - Responding to residential over-crowding associated with coronavirus spread and with more severe coronavirus disease and poorer post-COVID health outcomes by acquiring property for new construction of affordable housing funded from another source.
  - Respond to residential over-crowding associated with coronavirus spread and with more severe coronavirus disease and poorer post-COVID health outcomes by constructing affordable housing as part of a neighborhood revitalization project carried out by a Community Based Development Organization (CBDO).
  - Gathering data and developing non-project specific coronavirus recovery and economic revitalization plans for communities and neighborhoods affected by coronavirus.
  - Providing up to six consecutive months of emergency subsistence payments (for example, for rent, mortgage, or utilities) to a provider on behalf of a family to prevent eviction or stabilize LMI neighborhoods affected by economic disruption since January 2020.
- ESG-CV funds allocated to Rockford under the CARES Act can be used to prevent, prepare for, or respond to COVID among individuals or families who are homeless or at risk of becoming homeless. Examples of ESG-CV eligible activities aligned with the above recommendations include:
  - Providing landlord incentives up to three times the rent charged for the unit to help avoid homelessness through eviction.

- SLFR funds allocated to Rockford under ARPA can be used to assist individuals, families, and communities adversely affected by the health and economic impacts of COVID. SLFR eligible activities aligned with the above recommendations include:
  - Development of affordable housing.
  - Remediation of lead paint or other lead hazards to reduce risk of elevated blood lead levels among children.
  - Providing access to housing services to support healthy living environments and neighborhoods conducive to mental and physical wellness.
  - Note that activities supported by SLFR funding generally need to be in response to a demonstrated COVID impact. **For many activities, COVID impact is presumed when the activity is targeted to a qualified census tract.** Further SLFR funding specifically designated as recovery of lost revenue can be used for general government service provision.
- The City should ensure that all activities supported by federal recovery funds follow all regulatory requirements and guidelines issued by the relevant federal agencies.

### III. Education

#### Overview

As Rockford rebuilds from a global pandemic and ongoing economic uncertainty, children and parents – and the organizations and institutions that serve them – will need significant and sustained support. Rockford’s system of childcare, as is the case in most every other city, has been hit hard. While we don’t know the exact number, the reports of seats lost suggest that the number is likely staggering. Also, many children will return to schools this fall behind, and many may not return at all. Plus, the toll this pandemic has had on children and parents will require an unprecedented mental and behavioral health response from a network of providers.

Rockford has unique assets and opportunities to meet the needs of its children and parents. Strong leadership and community partners have come together as part of *Alignment Rockford* and have provided private funding to support *Rockford Promise*. While we will recommend further investments in this coordinated effort, the Rockford partnership can serve as the conduit for deeper and strategic work to support children and parents. The American Recovery Plan Act (ARPA) funding will allow the City and Rockford Public Schools to invest in measures to tackle the big challenges mentioned above, especially if jurisdictions and partners work together to ensure these dollars have the most impact possible. And while there real racial and geographic divisions in Rockford, this crisis presents an opportunity to address inequities and begin to build bridges across those racial and geographic divides.

As such, we recommend that Rockford come together around children and parents, leveraging the infrastructure of *Alignment Rockford*, to establish a shared vision for rebuilding with shared and measurable outcomes for children and parents. This work should produce a shared policy agenda to which ARPA resources – both City and RPS allocations – and other supports can be aligned. Included in this shared work should be a real commitment to rebuilding an often overlooked yet absolutely essential system of childcare. Also included should be a coordinated effort to address learning loss and to reengage students that may not re-enroll when schools begin this fall. Of course, this agenda should also include the necessary mental and behavioral health supports that many if not most will need. Finally, we recommend that Rockford use this moment to dig into and ultimately publish the racial and geographic disparities data, especially for children and parents, and double down on efforts to eliminate these disparities to ensure a more equitable recovery.

#### Impacts of COVID-19

Arguably everything in Rockford related to children and education was impacted by COVID-19. That said, this assessment identified three areas where the impacts of the pandemic and resulting economic pain and uncertainty are particularly harmful and urgent: the loss of childcare seats, the learning loss for tens of thousands of children, and growing mental and behavioral health needs.

**Loss of Childcare Seats:** As we talked to various leaders in Rockford, it became clear that a major area of concern is the loss of childcare seats. Childcare providers, especially those that serve lower income families, have always struggled to maintain healthy budgets and retain staff. There was always a shortage of seats for children and parents, but the pandemic has made this far worse than maybe many realize. Programs shuttered classrooms during the pandemic and do not have the resources or staff to reopen them. Understanding where these losses have occurred and what specific help Rockford childcare



providers need will be critically important to reopening classrooms and helping parents find the childcare they need to get back to work.

**Learning Loss:** Similar to the pandemic-related damage to Rockford’s childcare system, we don’t know how far behind children will be – nor how difficult it will be to reengage those students that were altogether “lost” during the pandemic. In speaking to leaders, it is clear that this is a major concern but not at all unique to Rockford. While the district has plans to address these losses, partners coming together to support schools will be as important as ever. Coordinated after school programming, helping to recruit tutors, accessing additional funding for in-school intervention specialists, and bringing partners together to support the district and its students and parents will all be immediate and likely multi-year needs. Partners should include the Family Peace Center, the Rockford Park District and other organizations that are well positioned to connect with families and reconnect with young people who have fallen behind.

**Mental and Behavioral Health Needs:** A third overarching concern had to do with the mental and behavioral wellbeing of both children and their parents. Between the isolation and anxiety brought on by the events of the past 18 months, the need for mental and behavioral health could be significant. These issues have a huge impact on academic success, and most schools alone cannot provide the individual supports that children and their families may need. While the district does have supports, it will likely be insufficient. Similar to the issue of learning loss, schools will need a coordinated effort inclusive of many partners to provide the help needed. There is no doubt that students will need help, and the sooner that help arrives the better not only for young people but also for their teachers and schools.

## Opportunities

Not dissimilar to the unprecedented challenges Rockford faces, the city’s opportunities are historic. The infrastructure of *Alignment Rockford*, and the reliable participation of so many cross-sector leaders, is unique and presents an enormous opportunity for the city to further come together around children and families. The ARPA funding that the city, school district, and county received is enormous and flexible. Its intent is to support those who have struggled the most during the pandemic, and there is no question that includes children and their parents. There is additional ARPA money to support childcare investments and other supports to lift up children and families outside of what local municipalities received. And when there is a shared crisis, there is always the opportunity to tackle historic divisions that have stalled or stunted progress. In Rockford, as is the case in many U.S. cities, those divisions are largely racial and geographic. Bridging these divides is an opportunity upon which to be seized.

**Investing in *Alignment Rockford*:** The cross-sector partnership on children and families has staff and reliable participation. This is a significant asset. Leveraging this partnership to build a shared vision for the recovery, with shared (and measurable) outcomes, will help to ensure resources and partners are aligned to the work that matters most and will have the most impact on children and parents. Helping to build out the staff’s ability to convene partners, facilitate shared work, provide valuable data analytics, and to help mobilize students, parents and community leaders will make an immediate difference. Explore opportunities to connect *Alignment Rockford* with partners such as the StriveTogether Network to strengthen collective leadership capacity to sustain broad systems level change for young people. If sustained, this infrastructure and shared support can support ongoing improvements to child-related outcomes in Rockford.



**Leveraging Unprecedented Federal Supports:** The school district is set to receive \$220 million in ARPA funding, the city will receive \$54 million and the county \$54 million. While much of this will be held back by these entities to cover budget shortfalls through 2024, millions will go to external partners. Again, these dollars are intended to support those who have suffered the most during the pandemic. How communities leverage these dollars to invest in what children and families need will be key to a more speedy and equitable recovery. Bringing these entities together to work through investments plans, especially as it relates to the three big challenges listed above, could have a lasting impact on the well-being of Rockford's children.

**Bridging Racial and Geographic Divides:** Most cities are in the midst of a racial reckoning, and Rockford appears to be no different. We believe that cities – and city leaders – that lean into this (as opposed to shying away from it) will have greater success in implementing the right reforms and investments to rebuild Rockford equitably. It's been said that crisis should never be wasted, and this pandemic and economic aftermath is no different. The impact of COVID-19 was uneven with lower income and Black and Brown communities hit hardest. There is a real opportunity to bridge the divides in Rockford, but it will require leadership and intentionality. We believe this is one of the biggest opportunities for Rockford to ensure that all children and families in the city, east and west, do better and share in future growth and prosperity.

### Recommendations for Equitable Recovery

In light of the most pressing challenges and opportunities that emerged from our discussions with Rockford leaders, we offer three high-level recommendations to better support children and their parents as the city recovers. First, and leveraging *Alignment Rockford*, Rockford should further build out a set of shared outcomes for the recovery and a shared policy agenda to achieve these outcomes. This shared agenda should focus on investing in childcare and addressing learning loss and the mental and behavioral health issues that many students will have. Finally, but arguably most importantly, ensuring an equitable recovery begins with the data on the racial and geographic disparities in outcomes for children. Publishing and addressing these disparities will help to transform Rockford as it emerges from the pandemic.

#### *Shared Outcomes, Policy Agenda*

With the convening and facilitation support of partners, and leveraging the *Alignment Rockford* infrastructure, Rockford leaders should develop a set of shared outcomes – from access to quality childcare and preschool to school readiness rates to early literacy and middle school math to postsecondary success. Non-academic outcomes such as access to social and emotional supports to positive school cultures should also be considered. These shared outcomes will help to organize the work of partners, creating shared accountability for the results that matter most for children. These outcomes will also inform a shared policy agenda, which can help mobilize partners and the community around the changes that will have the most impact on children and families, especially those who have struggled the most.

#### *Investing in Childcare, Learning Loss, Health*

There are many areas in which Rockford should invest as it relates to children and parents, but at the top of the list should be addressing the very serious shortage of childcare seats, getting students back on track in school, and making sure children are getting the mental and behavioral supports they need. Childcare is not only critical for positive child development, it's also necessary for many parents hoping

to return to work. Leaders should also keep in mind that many of these childcare programs are small business that are in desperate need of cash to get back on their feet and reopen classrooms. The issue of learning loss will not be fully understood for months, but most believe this will be a serious issue for most all children. As stated above, aligning ARPA dollars and other supports to this work, supporting the district and schools in what they need most, will make a big difference. One of the barriers to getting students back on track will be the social and mental challenges that many will be dealing with. Investing in a network of supports to address this will be important.

### *Publish and Address Disparities*

Whether it's *Alignment Rockford* or other community partners, tasking a team of leaders with collecting and publishing disparities data – in the most inclusive way possible – will put Rockford on a new, much more promising trajectory. The data will only reveal and affirm what many already know to be true about the racial and geographic disparities that hold Rockford back. With the data published, action plans to address the disparities can be developed. These plans will need to have cross-sector and deep buy-in from the community, as well as real funding. This work will take years, if not decades, but we do believe that communities that tackle this work fully will experience real change in the disparities that have held children and families – and their neighborhoods – back for far too long.

### *Funding Considerations*

- CDBG-CV funds allocated to Rockford under the CARES Act can be used for any CDBG-eligible activity that prevents, prepares for, or responds to COVID. Examples of CDBG-CV eligible activities aligned with the above recommendations include:
  - Increasing the capacity and availability of daycare or after-school services serving low/mod areas in which parents have dropped out of the workforce since January 2020 to enable workers to rejoin the workforce.
- SLFR funds allocated to Rockford under ARPA can be used to assist individuals, families, and communities adversely affected by the health and economic impacts of COVID. SLFR eligible activities aligned with the above recommendations include:
  - Providing new or expanded high quality childcare.
  - Addressing social, emotional, or mental health needs of students.
  - Providing new or enhanced early learning services to address educational disparities.
  - Providing tutoring, afterschool, or summer programs to address educational disparities.
  - Note that activities supported by SLFR funding generally need to be in response to a demonstrated COVID impact. For many activities, COVID impact is presumed when the activity is targeted to a qualified census tract. Further SLFR funding specifically designated as recovery of lost revenue can be used for general government service provision.
- The City should ensure that all activities supported by federal recovery funds follow all regulatory requirements and guidelines issued by the relevant federal agencies.

## IV. Workforce Development

### Overview

Rockford has a long history as an industrial and manufacturing center in Illinois. During the late 20<sup>th</sup> century, Rockford – like many other Rust Belt cities in the northern Midwest – struggled to maintain its economic prowess. As manufacturing and industry left, Rockford saw a decline in jobs and increased unemployment and poverty. In 2021, Rockford retains its manufacturing focus but has diversified its economy over time.

The 2008 Great Recession had a devastating impact on Rockford and its predominately working-class population. In 2010, the unemployment rate hit 19%, and close to 25% of the population fell below the poverty line.<sup>17</sup> Illinois Policy Watch estimates that Rockford suffered a net loss of 24,200 private-sector jobs during the recession. Post-recession, other sources have postulated that Rockford’s manufacturing sector has led a majority of the recovery with well-paid jobs.<sup>18</sup> Since 2008, Rockford has been successful in diversifying its economy to include healthcare, transportation services, education, retail, and hospitality. Although these industries have grown in size, many do not meet the same wage levels as manufacturing, leading to the aggregate workforce making less than it did 20 years ago.

A closer examination of key industries shows that Rockford had a total of 13,594 workers employed in the trade, transportation, and utility industry sectors before the pandemic (Appendix A).<sup>19</sup> These industry sectors comprise a large portion of private-sector employment and a wide range of industry activities in Rockford, such as retail, wholesale, transit, warehousing, power, gas, water, and sewage. Of the total, 10,277 workers (76%) commuted into the city to jobs in these sectors. Notably, only 3,317 workers (24%) lived and worked in the city. Conversely, 9,144 workers in these sectors who live in Rockford commute elsewhere for work, representing 73 % of people commuting out of the city for work. These figures underscore how interconnected Rockford’s employment circumstances are with the surrounding region, and how local workforce development efforts should closely integrate with to broader regional economic efforts.

Similarly, goods-producing industries also contributed to Rockford’s economic vitality. These industry sectors include agriculture, manufacturing, and construction sectors. Of the 14,389 workers in the city’s goods-producing industry sectors, more than half (9,207 or 64% of workers) commute into the city from other places to jobs in Rockford (Appendix A). About one-third – 36% or 5,182 – of the remaining share of workers live and work in the city of Rockford. Moreover, about 8,960 of 14,142 residents who live in Rockford commute elsewhere for work, representing 63% of people who live in the city and work in goods-producing jobs in other places.

Analyses conducted prior to start of the pandemic show little measurable difference comparing the number of workers who commute to Rockford for work in the trade, transportation, and utilities, and goods-producing industries – to workers who live in the city and commute elsewhere for work. Notably during the same period, few workers in these industry sectors live and work in Rockford. This suggests that the City of Rockford and its workers rely primarily on regional jobs and business activity to support the local workforce and economy. Today, both the Trade, Transportation, and Utilities and Good Producing (Manufacturing) industry sectors account for nearly 40 % of Illinois’ total labor force.<sup>1</sup> Despite

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<sup>17</sup><https://data.census.gov/cedsci/table?q=2010%20poverty%20rate%20rockford%20il&tid=ACSST1Y2010.S1701W>

<sup>18</sup> <https://www.rstar.com/news/20180522/manufacturing-remains-strength-for-rockford-region>

<sup>19</sup> U.S. Census Bureau: On the Map, 2018.

steep job losses statewide that resulted from the pandemic, trade, transportation, and utility jobs maintained stable growth with only a slight decline in the good producing industry; therefore, important to Rockford's COVID recovery planning both locally and regionally.

### COVID Impact on Vulnerable Workers

The unprecedented onset of the COVID-19 pandemic has impacted the workforce across the U.S. Businesses have closed, particularly in retail, hospitality, and restaurants, and unemployment in Rockford soared to 22.7% at the beginning of April 2020.<sup>20</sup> Fortunately, as of June 2021, unemployment has settled to 9.5%, which is still above the Illinois unemployment rate of 7.1% and the U.S. unemployment rate of 5.9% for June 2021 and remains an issue for Rockford. Other concerns that loom for unemployed populations during the pandemic, include issues involving health, childcare, and low wages. Across the country, these concerns are barriers to workers and increase reluctance in returning to work; Rockford is no different. To better understand the impact of COVID on Rockford's workforce, in Spring 2020 Mayor McNamara instituted several working groups focused on COVID-19 recovery called Rebound Rockford. These working groups focused on a myriad of pressing concerns for Rockford, including transportation, economic development and workforce development.<sup>21</sup> The Rebound Rockford workforce group has met several times and is relatively new to tackling some of the challenging problems facing Rockford's workforce. We provide specific recommendations for formalizing and giving structure to this group below.

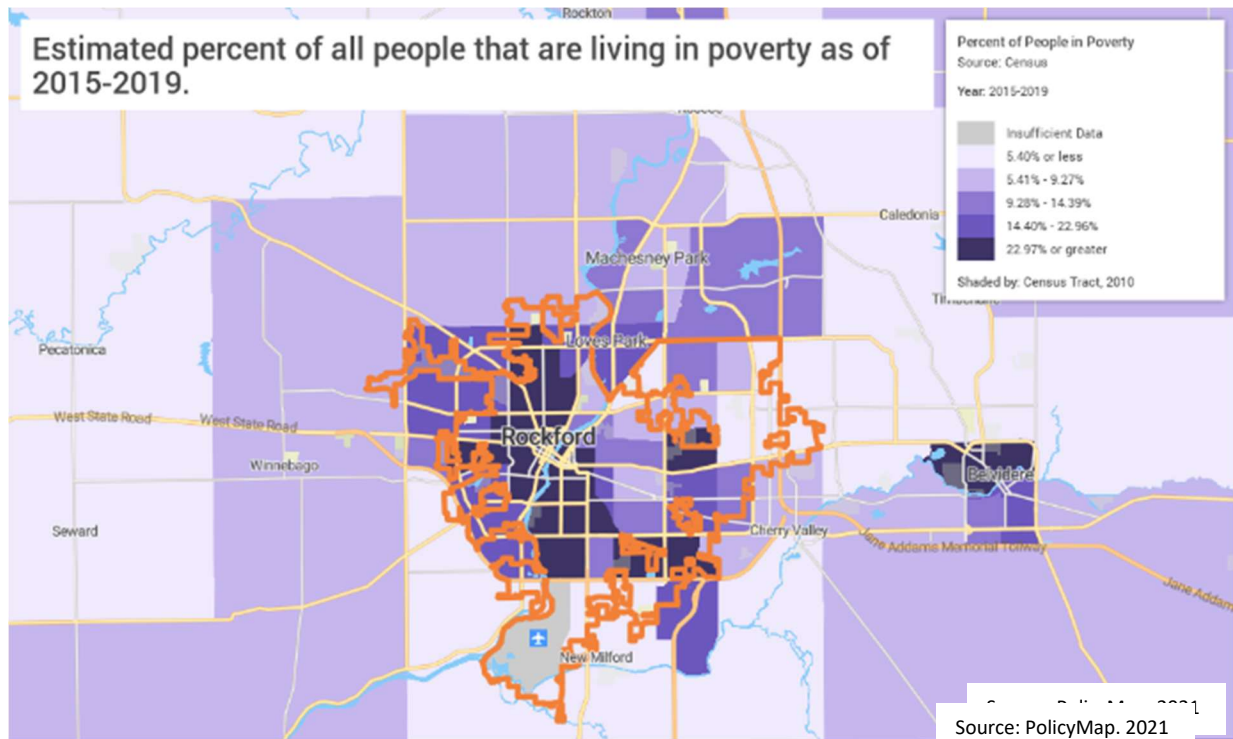
Rockford currently has a population of about 147,000 people (see Appendix B for the most recent demographics calculated from the 2020 Census). Additionally, 18.87% of the population identifies as Hispanic or Latino. Approximately 58.36% of the population is of working age between the ages of 18-64, and nearly 23% of the population lives under the poverty line. Figure 4 shows a marked difference in people living in poverty between east and west Rockford, with west Rockford having a significantly higher poverty rate. Figure 5 shows this is especially true for African American households who live in west Rockford. African American families have a poverty rate of 39.93%, nearly double the overall poverty rate in Rockford

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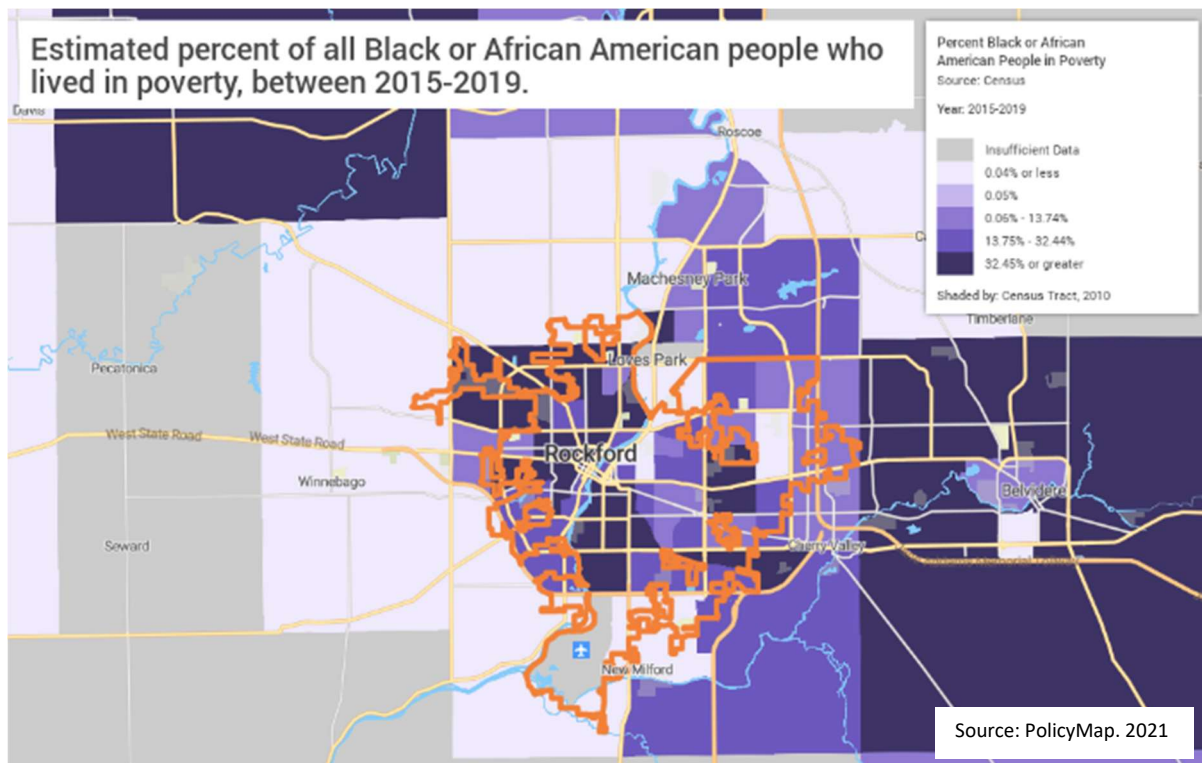
<sup>20</sup> <https://www.wifr.com/2021/05/27/rockford-unemployment-rate-drops-from-225-to-97-since-april-2020/>

<sup>21</sup> <https://www.rrstar.com/news/20200425/mayor-forming-rsquo-rockford-reboundingsquo-working-groups>

**Figure 1**



**Figure 2**



## Labor Market Challenges and Barriers

### ***Limited Coordination Across the Workforce Ecosystem***

There are numerous workforce development organizations in Rockford that work with diverse populations, from adults to high schoolers. Discussions with stakeholders across the community development spectrum found that although many organizations employ practices to foster job opportunity and advance workforce development there seems to be little formalized structure for all these entities to communicate, share best practices, collaborate, troubleshoot, and consult with one another about workforce challenges in Rockford.

One particularly important challenge noted by several stakeholders is the increasing need from opportunities to participate in the workforce by the ex-prisoner population in Rockford. There are few collaborative efforts identified working to connect job opportunities to returning citizens. This is a significant challenge for Rockford with 87% of released prisoners in Winnebago County returning to the city.<sup>22</sup> Additionally, Winnebago County's criminal justice system found that 56% of ex-prisoners will reoffend within 3 years, costing the county taxpayers millions of dollars every year. The cause of ex-prisoners reoffending can be partially attributed to a lack of economic opportunity for these populations. Ex-felons are often barred or disregarded when seeking jobs because many employers have policies that bar hiring individuals with a criminal record. African American men are five times more likely to be incarcerated during their lifetime than white men.<sup>23</sup> This creates a population of African American men who cannot find jobs or be economically independent, which then lead to reoffending and reentering the criminal justice system.

Comments from stakeholders throughout the interview process stated that there is very little cross-collaboration between all organizations involved in workforce development. However, the Mayor took steps to address this issue through development of the Rebound Rockford workforce working group during the COVID-19 pandemic. This group has met several times throughout the pandemic to align workforce strategies and identify priorities for the workforce. As this group continues, continued collaboration is key to success. Establishing a formal network to better align workforce objectives and actions can lead to more creativity and collaborative solutions to Rockford's most pressing workforce issues.

### ***Limited Public Transportation***

Rockford recognizes the importance of public transportation and is actively exploring ways to improve public transit options in the city. For community members without personal transportation, the public transit system is often the only method of travel available. Rockford operates a mass transit district with bus service that operates on a centralized model, which means that all transfers take place at a downtown facility. In interviews for this assessment stakeholders mentioned that the central transfer station model results in workers and students travelling nearly two hours by bus to travel across town. Community stakeholders suggested a review of BRT, transit lines, and the central transit node. In designated neighborhoods, particularly in west Rockford, the City should conduct a study of transit stops and connections to major employers, including opportunities to improve last mile connectivity (e.g., bike share, scooter share, shuttle buses, etc.). Public transportation is vital to connecting isolated neighborhoods and households to economic opportunity, workforce training, and education.

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<sup>22</sup> [https://wincoil.us/media/197424/2018\\_02\\_22\\_winnebago\\_county\\_cjcc\\_report.pdf](https://wincoil.us/media/197424/2018_02_22_winnebago_county_cjcc_report.pdf)

<sup>23</sup> <https://www.sentencingproject.org/publications/color-of-justice-racial-and-ethnic-disparity-in-state-prisons/>



### ***Limited Community Infrastructure, Internet Access, and Public Information***

Rockford has a diverse group of neighborhoods throughout its fourteen wards. Stakeholders in Rockford mentioned that they need more community facilities like libraries to serve as critical access points for resources and information for community members. Library closures in high percentage minority neighborhoods on the northwest, southwest and northeast side have contributed to reduced safe study spaces for students, adult learners, and job seekers. These closures have also decreased digital access to the internet in places where household internet availability is already limited.

Internet access is increasingly indispensable to the modern workforce and providing quality high speed access is essential to support job seekers and community members' needs for both employment opportunities and education. Most job applications are now completed online, and<sup>24</sup> increasingly education and workforce training are also provided online, particularly during the COVID-19 pandemic. Many Rockford educational institutions were forced to transition completely online when infection rates were high. Students who didn't have access to the internet found their learning experiences challenging, and many fell behind in their schooling.

According to Policy Map's 2019 data, on average, 18.49% of households in Rockford are without internet access. However, there are parts of west Rockford where houses without internet access exceed 30%, primarily impacting lower-income households and lower-income neighborhoods. Providing internet access to these neighborhoods remains critical to increasing access to jobs, training, and education. Rockford is actively pursuing contracts with a local internet service provider to increase access and ensure internet connectivity in all parts of Rockford. This is huge step forward to providing equitable internet access to community members who would not typically have access.

Communication between the public sector and its citizens is a challenge for many communities. Rockford stakeholders have stated that communication between city officials and residents is often lost in various communication channels, which limits sharing of information and resources. It would benefit Rockford to considering streamlining or developing new strategies to open the lines of communications with residents. Stakeholders have mentioned developing a formal system of neighborhoods councils to communicate directly with their Alderman. Improving communications via the City's website – and through community partners and influencers – can help improve communications between community members and the government.

### ***The Cost Burden of Childcare***

Childcare costs continue to be a considerable expense for families of all economic levels and is a national conversation that touches early childhood education, workforce development and economic development. Rockford's challenges are like many communities. The current average price for one child in a childcare program is around \$670 per month in Illinois. For a minimum wage worker, \$670 per week is over 25% of their income for just one child. If a family has multiple children, a minimum wage worker would pay 50% or more of their income. This is often an expense that many families cannot absorb when other needs are considered (e.g.: rent, food, utilities).

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<sup>24</sup> According to a Georgetown University report, an estimated 80-90% of job postings are solely online. Jobs have also become more technology-centric, making technological literacy an essential skill set needed by the current workforce. ([https://cew.georgetown.edu/wp-content/uploads/2014/11/OCLM.Tech\\_.Web\\_.pdf](https://cew.georgetown.edu/wp-content/uploads/2014/11/OCLM.Tech_.Web_.pdf))

### ***Workforce Healthcare Concerns***

Return to work for many offices in Rockford has been a slow process. A primary concern for those workers who are hesitant to return is their health. This is even more true for those front-facing service workers who interact with the general public. In Winnebago and Boone County as of August 2021, only 46.5% of the population is fully vaccinated.<sup>25</sup> New highly transmissible variants of COVID-19 have been shown to have a certain level of vaccine breakthrough are becoming more prevalent in the U.S. Public-facing workers fear getting sick themselves or potentially infecting unvaccinated children or vulnerable family members. These fears are not unique to Illinois. A U.S. census survey in March of 2021 found that over 4 million workers are currently not looking for jobs because of concerns of COVID-19.<sup>26</sup> After the expiration of unemployment benefits, workers will have to make difficult decisions about their health and their budgets. There will likely be an increase in labor participation after this date, but the fears these workers have are valid and should be considered in solutions to better meet the workforce's needs.

### ***Wage Disparities***

Several workforce development professionals commented on low wages being another barrier in Rockford. As a proxy for wages and in the absence of business-level data on wages, median income can provide a scale for the amount of capital households can access. The minimum wage in Illinois is \$11/hour with an annual income of about \$23,000. The median income for all households in Rockford is \$44,252. As of 2019, the household median income in the U.S. was \$68,703 – Rockford currently sits at 35% less income in a typical household than the rest of the nation. Appendix C shows the majority of households in Rockford make less than \$50,000 and the national average.

When disaggregated by race, the median income for African American and Black households is reduced to \$30,000, which is significantly lower compared to other races across the city. Income disparities are starker when comparing east to west Rockford (Figures 3 and 4). Some west Rockford census tracts show a median income of less than 20,000.<sup>27</sup> The median income of these west Rockford census tracts is also below the annual income of a minimum wage job. From these metrics, we can infer that wages in Rockford are most likely lower than in other parts of the U.S. Figure 4 illustrates that low wages are especially true for African American and Black households and the more diverse neighborhoods of west Rockford.

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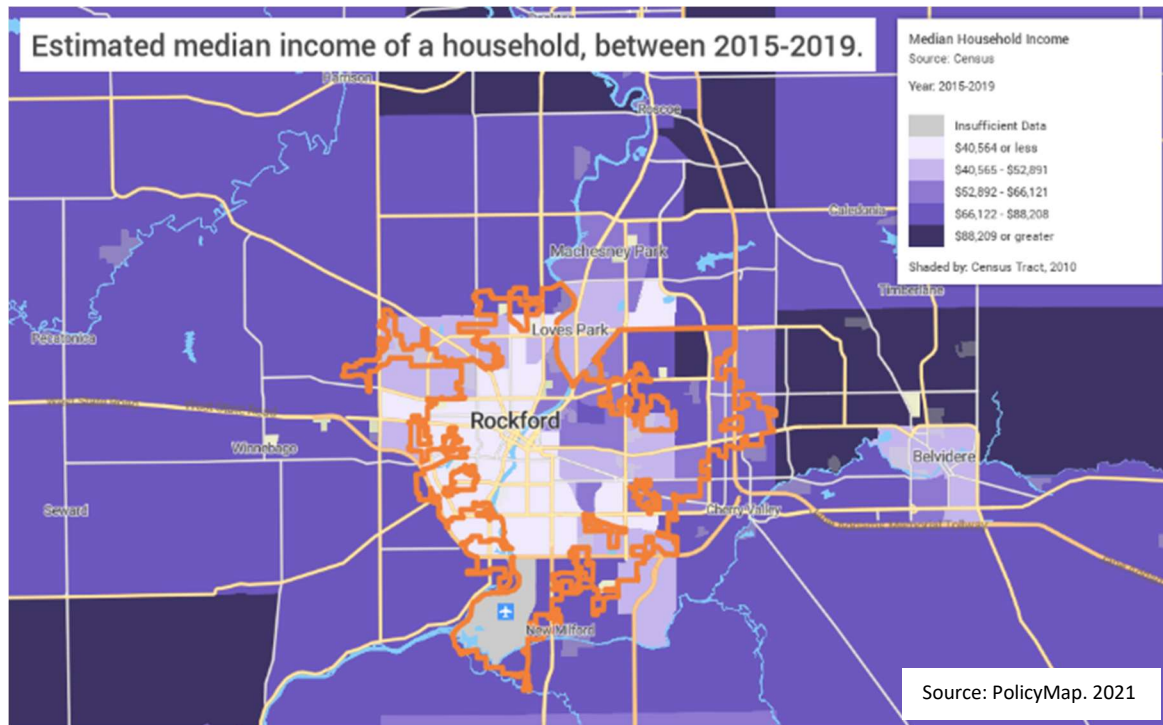
<sup>25</sup> <https://www.dph.illinois.gov/covid19/vaccinedata?county=Winnebago>

<sup>26</sup> <https://www.wsj.com/articles/the-other-reason-the-labor-force-is-shrunk-fear-of-covid-19-11618163017>

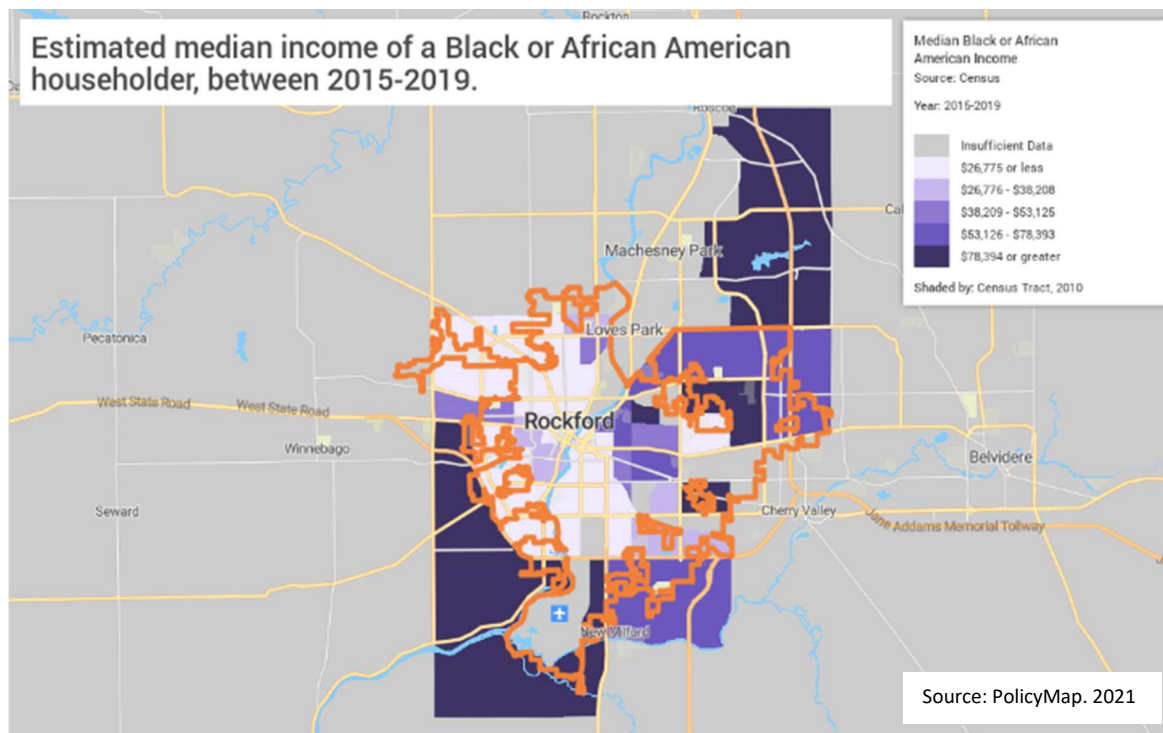
<sup>27</sup> Census Tracts: 17201003200, 17201002600, 17201003100, 17201002900, 17201002100



**Figure 3**



**Figure 4**



## *The “Missing Middle” of Skills Training*

Stakeholders also described the need for job skills training in key trades in Rockford. Referred to as the “missing middle” by workforce professionals, Rockford needs to close the gap between the kinds of jobs needed in robust industry sectors and resident skill levels to fill needed positions. The “missing middle” of skills training is represented by jobs that need post-secondary technical education of some kind and college-level math. These include computer technology, high skill manufacturing, HVAC, Environmental Science Technicians and many others. Although Rockford has many workforce training programs focused on initial skill-building and training for a specific job and trade. There seems to be a lack of organization linking initial positions to long-term growth and career pathways. There also seems to be a less organization around apprenticeships, paid internships and programs that build towards these middle-skill jobs. Stakeholders mentioned that they see opportunities for more career building and career pathways work with Rockford Public Schools and other youth-based organizations. They also see more opportunity to build apprenticeship and paid internship programs with more employers to meet the growing need of middle-skilled work.<sup>28</sup>

## Recommendations for Equitable Recovery

### *Strengthen Coordination Across the Workforce Ecosystem*

**Support soft-skill training and the expanded role of local community colleges by either subsidizing these programs or actively engaging with local funding partners about supporting these programs.**

Educational leaders in Rockford commented that the role of community colleges continues to shift from strictly hard skill training to providing increased soft skill training nationally but especially in Rockford. However, hard skills (e.g.: engineering, accounting) remain an essential course of study at these institutions. Many local company partners have stated the need for soft-skill training (e.g.: interpersonal communication, time management). Credit-based training like traditional hard skills is paid for through federal funding and other typical college funding sources. However, soft skills are not currently funded and are often a resource drain on community colleges. This seems to be an essential set of skills that current Rockford employers are seeking in employees. Community colleges in the area have also experienced a shift to support hiring needs of employers resulting from the pandemic. Community colleges are now expected to serve as job centers, providing job/career fairs and technical education and skills training tailored for immediate hiring needs.

**Partner with existing workforce development organizations to create prisoner re-entry and workforce programs for non-violent offenders.** Ex-prisoners and particularly non-violent offender, former felons, need opportunities to be self-sufficient for themselves and their families. Developing workforce development programs for ex-prisoner populations can reduce crime and recidivism while also providing increased economic activity in Rockford.

- **Promising Practice:** The Minneapolis Federal Reserve Bank recently cited the importance of prisoner re-entry programs and provided examples of city-based programs. (<https://www.minneapolisfed.org/article/2013/development-programs-help-exoffenders-join-the-workforce>)

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<sup>28</sup> Harvard Business Review - “Who Can Fix the Middle-Skills Gap” - <https://hbr.org/2012/12/who-can-fix-the-middle-skills-gap>

**Institutionalize and expand the Rebound Rockford workforce development group or develop a task force for the workforce in the city.** Comments from stakeholders throughout the interview process seems to point to few collaborative systems between all organizations involved in workforce development. There seems to be some disconnect between traditional economic development entities like the Rockford Chamber of Commerce and the community college system. The city should provide a clear structure and directives to the Rebound Rockford group and seek to include traditional education and economic development organizations in Rockford like the Family Peace Center, Rockford University, Alignment Rockford, Rockford Promise, the Chamber of Commerce and Rockford Public Schools. To implement this recommendation, allocate sustained, long-term funding that strengthens capacity of an identified organization to lead coordination and a shared vision for the entire workforce ecosystem. This sponsored entity would be in charge of delivering the organizational infrastructure, regular communication, develop policy priorities, and plan convenings.

- **Promising Practice:** The Philadelphia Federal Reserve developed a program called the Research in Action Lab that provides an outline of how communities can attack challenging multidisciplinary economic problems in more systemic and sustainable ways. (<https://www.philadelphiafed.org/community-development/research-in-action-labs-local-solutions-to-economic-problems>)

**Encourage City and Regional Employers to Increase Job Stability Through Upskilling and Reskilling in Growing Trade, Transportation, Utilities, and Manufacturing Jobs.** Economic stability in trade, transportation, utilities, and manufacturing during COVID suggests a positive impact on Rockford’s economic growth goals<sup>2</sup> in these industry sectors. Inflow/outflow patterns offer opportunities that can be leveraged to build on regional connectivity with businesses linked to job growth; as well as retain and grow local talent to increase local workers in these industry sectors. Convene a task force made up of business leaders, nonprofits, community colleges, K-12 school systems, labor unions, and the public sector. The task force can be assembled to address the significant skills gap for “middle-skills” jobs – advanced technical careers that require education and skill development beyond high school but less than a four-year college degree.

- **Promising Practice:** UpSkill Houston is an employer-led, cross-sector initiative to develop Houston’s talent pipeline to meet the needs of employers and residents. (<http://upskillhouston.org/global-pages/upskill-houston-partners/>)

**Develop local diversity hiring practices.** The City should commit itself to implementing hiring practices that focus on hiring a diverse group of residents, particularly those who have completed local training programs with transferable skills (e.g., public works, administration, outreach, etc.).

- **Promising Practice:** The Local and Regional Government Alliance on Racial Equity released a report<sup>3</sup> outlining how the public sector can update its hiring practices to focus on racial equity. (<https://racialequityalliance.org/wp-content/uploads/2015/02/Public-Sector-Jobs-Final1.pdf>)

### *Improve Public Transit*

**Re-envision transit planning focused on equity and inclusivity.** Comprehensive planning efforts should connect major employers or job centers to targeted neighborhoods where transportation is currently limited and presents a barrier to jobs and training centers. Many cities have embarked on human-centered design processes in developing a more robust transit plan (see Inclusive Transit). This includes

working directly with residents who utilize transit and focusing on user experience, design, and management of the system that most benefits the end-users. **Elicit input from residents and other users of public transit to inform transit planning decisions.** This ensures that the transit system considers inclusive and equitable practices and potentially improves employment access to jobs for local residents in the long-term.

- **Promising Practice:** The Transit Center, a transit policy think tank, released a report on Inclusive Transit planning that may be helpful for the city to consider while embarking on the planning process. (<https://transitcenter.org/wp-content/uploads/2018/07/Inclusive-1-1.pdf>)

**Develop partnerships with major employers to establish transit lines to major employment centers.** Employers have a vested interest in making sure their workforce has a safe and timely commute without significant delays. A challenge for many transit systems is the “last mile” problem where transit lines end a couple miles away from certain employers forcing employees to walk or find other methods of transportation to get to work. To mitigate these challenges for employers, some have chosen to provide shuttles, ride shares or other types of ‘micro transit’ that connects employee to their workplace efficiently.

#### *Improve Community Infrastructure, Internet Access and Public Information*

**Continue to pursue investment in expanding broadband to neighborhoods, particularly in West Rockford.** The new U.S. infrastructure bills currently making its way through congress puts special emphasis on increasing broadband access. Rockford should study the final infrastructure bills and apply for funding to improve and increase access in community. One option is to consider developing a municipal broadband service. Municipal broadband can ensure equitable distribution of internet access. Additionally, Rockford could consider subsidy programs with traditional internet providers similar to those for water and energy offered to low-income families. Broadband is an essential service and should be treated similarly to other essential utilities.

- **Promising Practice:** During the COVID-19 pandemic, more cities are considering municipal broadband programs. The first city to accomplish this type of infrastructure overhaul successfully was Chattanooga, TN. (<https://qz.com/1996234/the-best-broadband-in-the-us-is-in-chattanooga-tn/>)

**Improve community infrastructure and challenges with public information by developing small workforce hubs and/or reopen libraries in neighborhoods with high unemployment and underemployment.** These workforce hubs could be situated in empty retail or commercial spaces. They could hold job searching services, a computer lab with internet access, and potentially soft-skills training provided by non-profits or community college partners.

#### *Lessen Cost Burden of Childcare*

**Develop a childcare voucher or subsidy program for low-income and middle-income families.** Vouchers and subsidy amounts should be offered on a sliding scale according to the size of the family and family income. Childcare subsidies will remove a critical barrier to the current workforce going back to work.

- **Promising Practice:** There are several cities considering subsidizing childcare costs, including Seattle (<http://www.opportunityinstitute.org/blog/post/how-proposition-1a-will-put-seattle-on-the-road-to-high-quality-early-learning/>) & Boston (<https://bostonabcd.org/service/childcare-choices-of-boston/>).

***Invest in an entrepreneurship and TA program to nurture an increase in the volume of small childcare businesses in Rockford.*** This recommendation is further explored in the Economic Development section.

### ***Improve Workforce Health Care Concerns***

Healthcare fears are a huge barrier to workforce re-entry post-COVID. **Create a certification program for businesses to meet specific health and safety standards so the workforce will feel more comfortable returning to work.** Depending on political will, the program can be entirely voluntary. Additionally, the City could require this new health and safety certification to use public funding programs, discretionary economic development incentives, or zoning approvals. The employers who go through the certification program can be placed on an online list of ‘health safe employers or potentially have documentation like certificates or stickers outside the establishment.

### ***Improve Wage Disparities***

**Develop a living wage to encourage more employers in Rockford to provide better, more sustainable wages to their workers.** Living wage coalitions are typically a group of businesses that pledge to provide living wages to their employees. They are entirely voluntary but have been effective in pushing certain firms to increase wages to meet the needs of the current workforce.

- **Promising Practice:** Durham, North Carolina developed a living wage coalition, and it has provided great marketing for the city in attracting young workers. (<https://www.durhamlivingwageproject.org/>)

### ***Address ‘Middle Skills’ Gap***

**Invest in ‘middle skills’ training by developing more apprenticeship and ‘paid internship’ models with local employers.** This allows workers to have ‘on-the-job’ training and build skills while also receiving a wage. The workforce is also able to build relationships with their employers on a temporary educational basis to see if they are the correct fit for that employer.

### ***Funding Considerations***

- CDBG-CV funds allocated to Rockford under the CARES Act can be used for any CDBG-eligible activity that prevents, prepares for, or responds to COVID. Examples of CDBG-CV eligible activities aligned with the above recommendations include:
  - Providing job training in communities or neighborhoods affected by coronavirus-related job loss since January 2020 to revitalize affected labor force and business sectors or to help workers re-train for expanding sectors.
- SLFR funds allocated to Rockford under ARPA can be used to assist individuals, families, and communities adversely affected by the health and economic impacts of COVID. SLFR eligible activities aligned with the above recommendations include:

- Providing job training to workers who have become unemployed due to the pandemic or were unemployed prior to the pandemic and have remained unemployed due to the pandemic.
  - Providing Internet access and digital literacy training to households facing negative impacts of COVID.
  - Note that activities supported by SLFR funding generally need to be in response to a demonstrated COVID impact. For many activities, COVID impact is presumed when the activity is targeted to a qualified census tract. Further, SLFR funding specifically designated as recovery of lost revenue can be used for general government service provision.
- The City should ensure that all activities supported by federal recovery funds follow all regulatory requirements and guidelines issued by the relevant federal agencies.

## V. Economic Development

### Overview

At the start of 2020 Rockford was experiencing economic optimism. After a decade of slow recovery following the 2008 Recession, Rockford's economy was building positive momentum. Real estate and home prices were stabilizing, and in some cases rising. Downtown revitalization efforts were starting to pay off, with new businesses, housing and hotels locating in the area. Although Rockford lost population between 2010 and 2019 overall, 2020 census data estimates indicate that the city gained nearly 3,000 new residents in 2020 – a positive sign of a stabilizing economy. And while the economies of both the region and city continued to lag other areas, at the start of 2020 City leaders were optimistic that the city had turned a corner and would be able build on the momentum.

As the COVID-19 pandemic took hold in March 2020, Rockford's economy followed national trends and struggled as it adjusted to global policy shifts. Businesses of all sizes and ages contracted, unemployment skyrocketed to from 5% to 23% during the month of March 2020.<sup>29</sup> City and local business leaders feared the worst – that hard-earned gains in business development and revitalization would reverse and undo the efforts of so many over the last ten years. While larger regional industries felt the downturn, small businesses were hit particularly hard, in particular those characterized as “shut down sectors”: hospitality, restaurants, retail, and personal services.

Rockford leaders responded launching an emergency small business loan fund, providing flexible permitting for businesses to operate outdoors, and expediting the deployment of federal CARES Act funding. The City also realized that bolstering the recovery and resilience of local small businesses would be integral to the City's overall economic rebound from the economic impacts of COVID. Recognizing that it's Black, Latinx and minority communities experienced the highest COVID infection rates; that many of its small businesses are both minority owned and employ minority workers; and that the United States is in the midst of a reckoning with racial disparity following the murder of George Floyd, Rockford will need to make clear and intentional efforts to integrate racial equity into its broader economic recovery efforts if it hopes to emerge from this crisis stronger and more resilient to future shocks.

For this assessment, Enterprise Community Partners, as part of the National Resource Network, conducted interviews with city leaders, residents, business owners, neighborhood groups, institutions to gain insight into the extent of COVID's impacts on the local economy and opportunities to recover equitably. Following is an analysis of COVID's impact on Rockford's economy and businesses, the City's local economic development response efforts to date, and recommendations to support equitable recovery in coming months, years and decades.

### COVID Impacts

#### INDUSTRY AND EMPLOYMENT

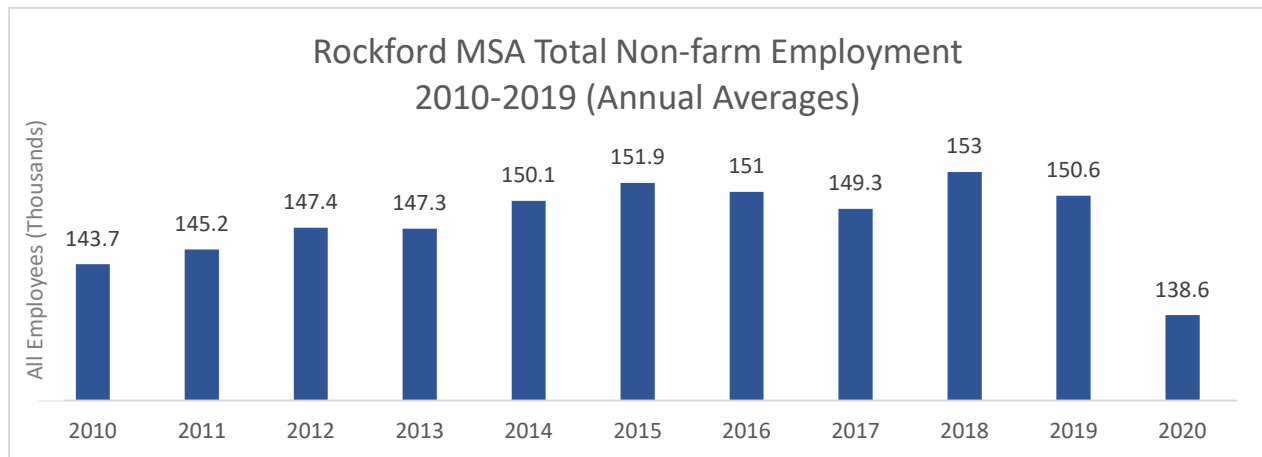
The Rockford Metropolitan Area includes the City of Rockford, Winnebago County and Boone County. The metro area has seen weak employment growth since the Great Recession. Between 2010 – 2020, nonfarm payroll employment increased in driven by increases in Construction (192%), Education and Health Services (4.3%) and Manufacturing (9%). However, employment in other industries declined dramatically, with decreased in Government (-17%), Professional and Business Services (-18%) and

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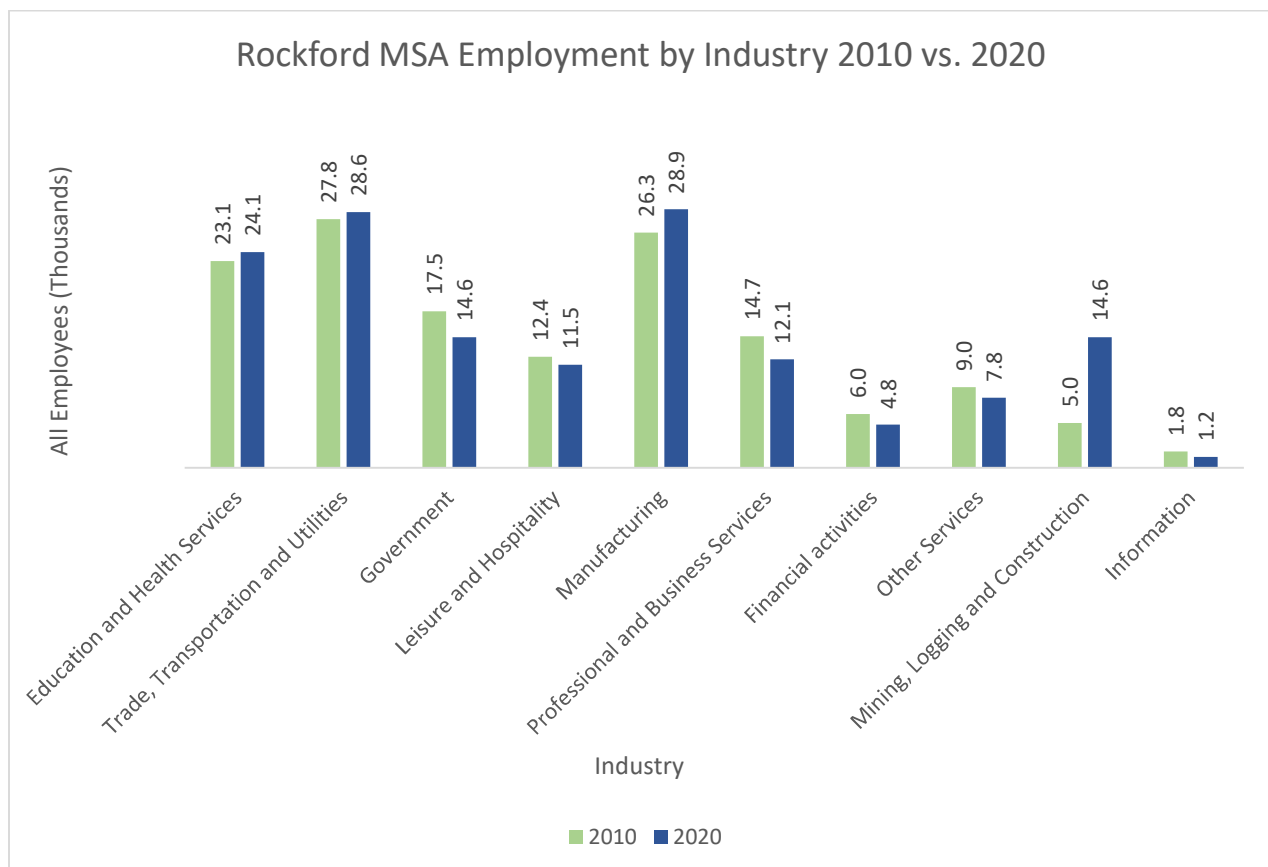
<sup>29</sup> U.S. Bureau of Labor Statistics, 2021



Other Services (13%). Industries with the greatest number of jobs in 2020 were Manufacturing (28.9k), Trade, Transportation and Utilities (28.6k) and Education and Health Services (24.1k)



Source: Bureau of Labor Statistics, Current Employment Statistics (Not Seasonally Adjusted)

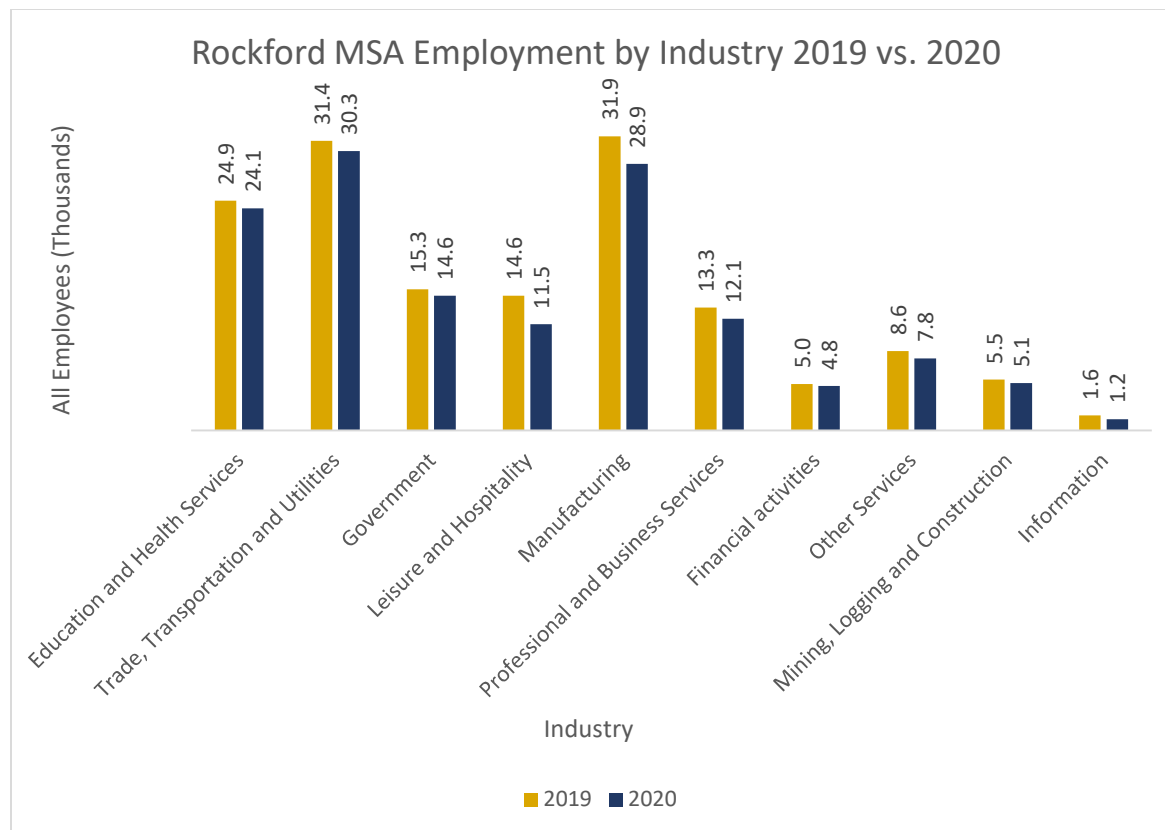


Source: Bureau of Labor Statistics, Current Employment Statistics (Not Seasonally Adjusted)

The COVID-19 pandemic resulted in year over year decreases in employment across all industries due to a variety of factors, including but not limited to depressed consumer demand, government-mandated



business closures, and supply-chain issues. Comparing the annual change in employment by industry from 2019 to 2020, the most impacted industries in Rockford by percentage of employees lost were Leisure and Hospitality (-21.2%), Manufacturing (-9.4%), Other Services (-9.3%) and Professional and Business Services (-9.0%).



Source: Bureau of Labor Statistics, Current Employment Statistics (Not Seasonally Adjusted)

The Rockford MSA registered approximately 12,000 fewer jobs in 2020 than in 2019, an 8% loss overall. With increasing vaccination rates across the country and lifting restrictions, most sectors are expected to rebound; however, the pace of recovery remains unclear, as well as long-term implications for vulnerable sectors and businesses.

## 2021 COVID-RELATED ECONOMIC IMPACTS TO DATE

2021 employment data by industry are unavailable at the time of this report, but preliminary estimates indicate that Rockford metro's overall employment rate increased by 1.2% between June 2020 and June 2021, suggesting that a modest recovery is underway.<sup>30</sup> Tying regional employment estimates to recent local business establishment data is challenging as publicly available estimates are not available at the time of this report. As a non-Home Rule jurisdiction, Rockford is unable to require business licenses, a regulatory measure that affords city governments the ability to track local business births, deaths, employment and ownership details that provide granular insight into local business conditions. However,

<sup>30</sup> Bureau of Labor Statistics, Employees on nonfarm payrolls by state and metropolitan area, not seasonally adjusted. Published July 28, 2021

a comparison of quarterly sales tax revenues collected by the Illinois Department of Revenue provide a proxy that suggests broadly what COVID's impact on local business was by category. Sales tax data indicate that between the last quarter of 2019 and the first quarter of 2021 total combined sales taxes decreased by 1.4%, marked by significant decreases in General Merchandise; Drinking and Eating Places; Lumber, Building and Hardware; and Manufacturers.

Rockford City Quarterly Sales Tax 2019 Q4 and 2021 Q1						
	2019 Q4		2021 Q1		Percent Change Between	
	Tax Types (a)		Tax Types		2019 Q4 and 2020 Q1	
Categories	MT	NHMR	MT	NHMR	MT	NHMR
General Merchandise	\$1,057,041	\$714,004	\$894,118	\$610,114	-15.4%	-14.6%
Food	\$999,410	\$406,633	\$993,299	\$408,828	-0.6%	0.5%
Drinking and Eating Places	\$814,644	\$792,493	\$694,402	\$686,361	-14.8%	-13.4%
Apparel	\$178,424	\$178,076	\$167,645	\$167,318	-6.0%	-6.0%
Furniture & H.H. & Radio	\$323,852	\$321,478	\$313,185	\$311,916	-3.3%	-3.0%
Lumber, Bldg, Hardware	\$384,935	\$384,785	\$314,732	\$314,342	-18.2%	-18.3%
Automotive & Filling Stations	\$1,092,090	\$488,192	\$1,126,320	\$449,513	3.1%	-7.9%
Drugs & Misc. Retail	\$897,348	\$467,160	\$1,270,558	\$777,939	41.6%	66.5%
Agriculture & All Others	\$660,604	\$603,401	\$612,975	\$541,153	-7.2%	-10.3%
Manufacturers	\$76,437	\$73,643	\$54,339	\$53,174	-28.9%	-27.8%
Totals	\$6,484,786	\$4,429,863	\$6,441,573	\$4,320,657	-0.7%	-2.5%
Total Combined	\$10,914,649		\$10,762,230		-1.4%	
(a) Tax types include Municipal Tax (MT) and Non-Home Rule Tax (NHMR) applicable to Rockford as a non-Home Rule jurisdiction.						
Source: Illinois Department of Revenue; Enterprise Community Partners						

To gain an understanding of local recovery conditions and ongoing impacts on local businesses, the Network conducted interviews with City economic development staff, local employers, and representatives of the Rockford economic development community. Interviewees agreed that recovery is underway in Rockford, but cite ongoing concerns related to businesses' ability to operate at full capacity. Some remarked that persistent vaccine hesitancy and fear of the COVID on the part of many patrons were creating new challenges for those seeking to reopen at full capacity, in particular restaurants, retail, entertainment and hospitality venues. Most critically, businesses cited hiring challenges, and a shortage of workers across a number of industries. Anecdotal evidence indicates that business owners have responded by increasing starting wages, many to \$15 or more per hour, and providing more flexibility in terms of hours and leave. One observed that a that local fast-food restaurant advertised openings with increased wages, hiring bonuses, and next-day payment programs to entice workers back to work. A number of business community representatives interviewed for this report expressed confusion about why so many job postings remained unfilled despite continued unemployment concerns. Anecdotal evidence suggests that many businesses are not reopening fully due to unfilled positions.

## **SMALL BUSINESSES**

Rockford's small businesses provide valuable wealth building opportunities for business owners and are an important source of local jobs and neighborhood amenities. According to interviewees, COVID-19 has had a detrimental impact on Rockford's small businesses, particularly retail, personal care, and restaurants, and many owned by minority and immigrant business owners.

The City of Rockford has an emerging small business support system ecosystem, including financing, technical assistance, and workforce development resources. The City's Economic Development Division provides one-stop referral and support services for small businesses and leads engagement with local start-ups and entrepreneurs seeking to locate in Rockford. With only two economic development staff, the City relies heavily on assistance from local partners to provide financing services to businesses seeking loans and COVID relief funds. At the start of the COVID-19 shutdowns, the City's Economic Development Department led local business recovery response in partnership with the Rockford Local Development Corporation (RLDC), a nonprofit economic development agency that provides financing to support business growth in the Rockford region, and the Rockford Small Business Development Corporation (SBDC), an affiliate of the Greater Rockford Growth Partnership (see below).

In March 2020, the City responded to the immediate shut down of businesses by launching the Small Business Emergency Loan Fund, a \$2.2 million business relief funds established through partnership with the Northern Illinois CDC and managed by the RLDC. The fund provided microenterprise loans to local small businesses with five or fewer employees on a first-come-first-served basis to provide sustaining funds during the shutdown. The City also provided assistance to businesses seeking federal Paycheck Protection Program (PPP) funds to businesses of all sizes to slow layoffs and protect workers' jobs.

In addition, the City also used federal CARES Act funding to launch the \$900,000 Hospitality Grant Program in November 2020 to provide up to \$7,500 assistance to restaurants and bars experiencing COVID-related financial constraints. The City also modified policies and permitting to expand outdoor dining and curbside pickup in the public right-of-way, as well as reduced collections on food and beverage and hotel-motel taxes for qualified businesses. Without local data, the City does not have a clear picture of how many of the businesses receiving assistance are minority or women-owned businesses, which makes it difficult to assess the equity impacts of these awards.

#### **MINORITY, WOMEN, AND IMMIGRANT OWNED BUSINESSES (MWBES)**

National data shows that businesses owned by people of color faced disproportionate barriers to accessing federal CARES act funding due to the program's initial reliance on depository institutions and banks which have a history of racially discriminatory lending practices. In response, Rockford identified communication and education gaps as major barriers to reaching communities of color and hired a local economic development coordinator to improve engagement with Rockford's local business community.

Despite these efforts, business owners and City staff highlighted continued communication gaps between the City and black and immigrant communities and business owners. They recognize that Rockford's long-seated barriers for minority, immigrant and women-owned businesses – lack of capital, engagement with regional organizations and procurement opportunities – were only further exacerbated by the pandemic. In addition, entrepreneurs with home-based businesses were not eligible for local relief programs due to lack of formal documentation.

#### **CHILDCARE: THE SMALL BUSINESSES BEHIND ROCKFORD'S BUSINESSES**

The Network interviewed Rockford residents about COVID's impacts on neighborhoods and everyday life. When asked about why businesses report hiring challenges despite persistent high unemployment, they responded that the lack of affordable and safe childcare is one reason some of their neighbors have not returned to work. They reported anecdotally that childcare spots – both in licensed care centers and in-

home family care centers – were hard to find. With schools closed and affordable childcare unavailable, many of their neighbors were opting not to take open positions, particularly those that lack wages and flexibility needed to meet parenting needs at home. They speculated that some may go back to work once schools have reopened and there is confidence that they will consistently remain open through the remainder of the pandemic.

The childcare sector includes businesses of many forms, ranging from formally licensed centers with accreditation to unlicensed informal arrangements between neighbors or family members in the care provider’s home. Nationally, 92% of the workforce is comprised of women, and many are immigrants and women of color. The sector was showing serious signs of strain prior to the pandemic, characterized by low wages, and rising workforce poverty rates. In 2019, the median hourly wage for childcare workers in Illinois was \$11.16, which represented a 1% decrease since 2017. During this same period, childcare center directors – often MWBE small business owners themselves – earned a median hourly wage of \$24.44, representing a 3% decrease since 2017. Nationally, Black early educators are paid on average \$0.78 less per hour than their White peers.<sup>31</sup> As the pandemic continues, centers that have remained open incur additional costs related to cleaning, safety protocols and staff health absences. The pandemic has highlighted the reality that childcare workers’ poverty wages, lack of health insurance and paid sick leave are symptoms of a strained and unsustainable business sector. **They are the workforce behind the workforce, and they are struggling.**

Rockford Child Care Centers and Family Child Care Centers, 2019 (a)		
Type of Center	Number of Sites	
	Serving Children ages 0-5	Serving School-age Children providing before/after school care
Licensed Child Care Centers	18	11
License-exempt Child Care Centers	4	16
Licensed Family Child Care Centers	85	70
Unlicensed Care Centers	n/a	n/a
Total	107	97
Notes: (a) State of Illinois definitions of licensed care facilities and total allowed capacities can be found on the Illinois Early Childhood Asset Map website: <a href="https://iecam.illinois.edu/">https://iecam.illinois.edu/</a>		
Source: Illinois Early Childhood Asset Map, 2021		

The historically informal nature of the childcare sector meant that COVID restrictions, social distancing and fear of transmission due to the intimate nature of home-based services resulted in many childcare services – licensed, licensed-exempt, licensed family and unlicensed – closing for weeks or months during the pandemic. Some have reopened, some have remained closed. Working families across Rockford have had to make hard adjustments and choices to stay safe and take care of their children. Even as the economy reopens, there are fewer options available to those looking for childcare services to support full workforce participation. With limited supply, costs will likely increase, and Rockford’s low-income workforce will be hard pressed to find spots needed to return to work outside the home. The COVID-19 pandemic has highlighted how essential childcare businesses are to supporting the local workforce and centers the sector as foundational to an equitable recovery.

<sup>31</sup> Center for the Study of Child Care Employment, University of California, Berkeley. Early Childhood Workforce Index. Illinois State Profile. 2021.

## Economic Development Strategies

### Regional Job Attraction and Retention

Despite headlines that highlight Rockford's struggles as a post-industrial "legacy city", more than one in five Rockford residents still work in manufacturing industries. Regional economic development efforts in the Rockford metro area largely focus on job attraction in a number of key industries: automotive, aerospace/defense, health care, machine tool, heavy machinery, advanced manufacturing, and logistics and distribution.<sup>32</sup> Regional economic development planning and marketing is led by the Greater Rockford Growth Partnership (GRGP), a recently merged organization comprised of the Rockford Chamber of Commerce and the Rockford Area Economic Development Council. The GRGP identifies the greater Rockford Region as consisting of Boone, Ogle, Stephenson and Winnebago counties in Northern Illinois.

Regional economic development representatives and stakeholders articulate that cross-sector partnerships are important to Rockford's economic growth into the future. However, collaboration has been limited, with regional organizations focusing on job attraction across the larger region as opposed to prioritizing marketing the city. Some interviewed expressed concern that the challenges Rockford is facing – economic recovery and racial reckoning – require new solutions that traditional tactics may not address. The City, GRGP and other regional economic development organizations should embrace the opportunity to approach recovery in new ways, in particular actively inviting new and diverse voices to the table to drive conversations and actions about how to equitably recovery and grow the region. In addition to traditional economic development approaches that prioritize job attraction and retention, regional economic development advocates should identify equitable opportunities to grow from within and tap into communities and stakeholders that have been marginalized from more traditional economic development efforts. **Most importantly, GRGP and other regional entities must commit to tackling the region's legacies of segregation and racial inequity as they advocate for the its future.**

### Local Economic Development Strategies

Local economic development presents a strong opportunity for Rockford to drive investment to businesses that will have a greater likelihood of hiring residents; it is an area where the City can be targeted in its investment approach and provide supports needed to grow the local business ecosystem. There are a number of strategies that Rockford can use to lead the City's economic recovery efforts and to partner effectively with regional economic development partners.

#### DATA-DRIVEN TARGETED INVESTMENT

Because Rockford is not able to require business licenses, the City does not have granular data about its local business community, nor can it track changes over time to allow for course correction or guide new program development. As the City moves out of immediate COVID response into a longer-term economic recovery finding solutions to fill the data gap are needed. Collecting and updating local business data will enable the City to target resources – funding, staff time, program development – to focus on areas where the City can have the greatest leverage and impact. This will be particularly important when reaching out to small businesses, entrepreneurs and MWBEs who are not as active in the region's more traditional business advocacy and networking circles.

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<sup>32</sup> Policy Map. Rockford Community Profile Report, 2021

To ensure that Rockford's businesses recovery and recover equitably, the City will need to convene cross-sector partners and develop a shared understanding of the role that data can play in growing Rockford's economy. The City should initiate data-sharing agreements between GRGP, RLDC, SBDC and other business advocacy groups to gather the information needed to support targeted approaches to growth – a **Rockford Business Data Trust**. Data collection should include racial and ethnic data, as well as the value of financial lending and types of services extended to businesses. While not a perfect solution to the City's inability to collect data through licensing, this will enable the City and economic development partners to gain a clear understanding of the local business ecosystem and disparities that exist. With a more nuanced understand of disparities, the City can target resources to support equitable outcomes.

In interviews, there was broad concern at the entrenched siloes in Rockford's business development space. Past efforts to engage in cross-sector partnerships have proven frustrating, and some business owners expressed hesitance to engage in collective action and an overarching lack of trust. Notably, some businesses and entrepreneurs expressed that entrenched race assumptions and legacy business turf concerns have fostered an exclusive business environment in Rockford that has resulted in fewer opportunities for MWBEs. Strengthening and sustaining access to opportunity for small businesses, start-ups and entrepreneurs in Rockford will require a cross-sector approach, and data can provide objectivity to break down entrenched beliefs to foster collective intention, accountability and action to equitably growing Rockford's economy.

#### **EXPANDING MARKET OPPORTUNITY AND CAPITAL FOR MINORITY, IMMIGRANT AND WOMEN OWNED BUSINESSES**

In 2021, the City of Rockford employs 1,097 people and has an average annual procurement contracts and supplies get of \$69.7 million. Through its contracting and hiring processes, it can be a leader in modelling commitment and accountability to equitable outcomes. While the City has expressed support for MWBE contracting and hiring, it currently has a Responsible Bidder ordinance in place that gives preference to vendors who pay prevailing wages on City contracts. While this is popular among pro-union groups in Rockford – and supports local employees' economic stability, more broadly – it has resulted in only an estimated 2%- 5% of City contracts going to MWBEs – firms which tend to be younger, smaller and less capable of paying prevailing wages. The City should conduct an MWBE disparity study to enable it to better target procurement policies and capacity building around specific gaps and opportunities (see recommendations). In addition, it would allow the City to be held accountable for addressing disparities in access to contracting opportunities.

To support an equitable recovery the City should ensure that local businesses owned by people of color can expand and thrive during recovery and beyond. In partnership with the private sector, Rockford should launch a city-wide effort to increase access to capital, capacity-building, and procurement opportunities for these business owners (see recommendations). The effort should be informed by a Small Business and Entrepreneurship Assessment as well as a MWBE disparity study to understand the existing landscape and address disparities, barriers and opportunities.

#### **INVESTING IN MINORITY ENTREPRENEURS AND START UPS**

In multiple interviews, Rockford residents described the pandemic inspiring local entrepreneurs to start their own businesses, either as a replacement for full time work or as a “side hustle”. They described a number of different businesses selling handmade items – artists, makers, and selling other talents and services. Many are small, pop-up businesses, including catering, books, artwork, clothing, jewelry and other retail. Interviewees reported that many of these businesses could benefit for increased funding, coaching, partnering and networking to help them take their hobby and successfully turn it into a business. However, even as new businesses were launched during the pandemic, many others closed shop and were unable to make the transition to a remote business, or they didn’t have the resources to ride out the slow economy. Many of these businesses are owned by Black, Latinx and other business owners of color; many are women owned. Interviewees reported that minority owned businesses in Rockford are not always included in more traditional business development efforts in the city. Rockford has an opportunity to invest in these businesses to grow its economy from within and provide equitable access to resources for those who feel excluded from existing financing and support programs.

Rockford has recently begun discussions with Think Big, a Rockford-based 501(c)3 that seeks to provide needed incubation, coaching, business education and support networks to minority entrepreneurs in the city. In 2019 Think Big hosted the region’s first expo for business entrepreneurs, including business networking education sessions and coaching, music, food and entertainment. The expo had an estimated 820 attendees over a two-day free event. Although plans for a 2020 expo were cancelled due to COVID, Think Big intends to host future events to meet clear demand in the Rockford business community. Think Big is in discussions with the City to launch a small business and entrepreneurship incubator to provide support for Rockford’s start-up business community, with an explicit focus on supporting MWBEs and others who have felt excluded from more traditional groups, such as the Chamber of Commerce. Partnering with Think Big is a strong first step in diversifying the City’s economic development outreach and services and holds promise as a model for helping the local business community grow equitably.

#### **REBUILD AND EXPAND CHILDCARE BUSINESS SECTOR**

Investing in local small businesses is important to Rockford’s economic recovery; investing in the sustainability and quality of childcare businesses is essential to Rockford’s equitable economic recovery. Childcare is the small business sector that is behind every other business sector’s recovery. As noted previously, the childcare industry was struggling before the pandemic, and COVID has fueled a crisis. In 2019 there were over 11,000 children under five living in Rockford; within this population approximately 2,700 lived in families with two working parents and 6,027 lived in families with one working parent. Presumably, childcare services are needed to help many, if not most, of these parents go to work. However, in 2019, there were only 2,500 reported spots available to Rockford families, with an unknown number unreported and supported by an informal and/or unlicensed childcare sector. These figures do not account for school-age children who need care before and after school hours, and for whom childcare spots are even more limited.



Rockford Children 5 and Under in Working Families, 2019 Estimate	
Children 5 and under living in families	11,769
Children 5 and under living with two parents	4,746
Children 5 and under living with two working parents	2,709
Children 5 and under living with one parent	7,023
Children 5 and under living with one working parent	6,027
Children 5 and under living with one non-working parent	996
Source: Illinois Early Childhood Asset Map, 2021	

Rockford Total Capacity Child Care Centers and Family Child Care Centers, 2019 (a)		
Type of Center	Capacity	
	Serving Children ages 0-5	Serving School-age Children (before/after school care)
Licensed Child Care Centers	1914	361
License-exempt Child Care Centers (reported capacity)	135	680
Licensed Family Child Care Centers	532	339
Unlicensed Child Care Centers	n/a	n/a
Total	2581	1380
Notes: (a) State of Illinois definitions of licensed care facilities and total allowed capacities can be found on the Illinois Early Childhood Asset Map website: <a href="https://iecam.illinois.edu/">https://iecam.illinois.edu/</a>		
Source: Illinois Early Childhood Asset Map, 2021		

In partnership with cross-sector employers and supporters, the City should invest in and develop the childcare business sector to support equitable recovery. This support should fall in line with other entrepreneur and small business efforts, but also be tailored to the specific needs of childcare businesses. For instance, childcare services are most often needed during workday hours when many small business workshops, meetups and networking events take place. Similarly, many childcare businesses are home-based businesses that will require additional outreach to attract participation. Lastly, many childcare businesses are owned and operated by women of color and immigrants who may need additional resources, language or cultural supports to be encourage them to participate, particularly where accreditation and licensing is required. The City should partner with local childcare agencies and seek guidance from best practices in the field to develop a small business support program tailored to the needs of childcare center owners (see recommendations).

#### CITY LEADERSHIP OF REGIONAL COMMITMENT TO EQUITY

The City should lead the region's reckoning with racial disparities and planning to move the business community forward. The pandemic has not so much created new economic problems in Rockford as it has exacerbated them, and it has brought new attention to racial disparities that have been unacknowledged for decades. The City has an opportunity through its own actions – internal and external – to provide leadership in a regional effort to rebuild trust and promote equitable businesses and workplaces that drive meaningful progress towards community-wide equity goals.

Working with business and institutional leaders across the Rockford region, Rockford can launch a regional Equity Pledge to strengthen the local business community, diversify companies and local institutions, develop new vendor relationships, build more diverse and inclusive workplaces and challenge leaders to change the status quo. The Pledge can focus on equity as a driver of innovation and collaboration, and a

way to ensure that Rockford's economy prospers and grows. This effort should be the start of a longer-term regional commitment to equity grounded in cross-sector efforts to invest in Rockford's future even while focusing on immediate COVID-related concerns.

Although this is not an easy task, there is precedent in Rockford that effective partnerships are possible and cross-sector engagement can tackle seemingly intractable community issues. The Equity Pledge effort should build on the precedent set by the Family Peace Center and cross-sector efforts to address domestic and youth violence in Rockford. Similar equitable economic development pledge efforts are underway in other regions across the county, with local governments partnering with regional economic development agencies to advocate for change.<sup>33</sup> The City can encourage local businesses to commit to supplier diversity efforts focused on expanding opportunities for businesses and entrepreneurs of color. **A collective and intentional cross-sector approach is critical to ensuring that Rockford can develop sustainable positive outcomes for businesses and entrepreneurs of color.**

### Recommendations for Equitable Recovery

The City of Rockford has stated a strong commitment to a vision of inclusive economic growth. City staff express openness and support for innovative approaches to supporting equitable business recovery. However, it currently lacks data-driven indicators and performance measures to ensure successful outcomes. To achieve inclusive economic development, the City should prioritize collaborative efforts with local stakeholders to partner with the private sector and business organizations to develop goals, metrics and priorities to support the vision. These efforts should prioritize robust input from minority business owners and be supported by transparency in reporting outcomes to measure progress. The City must lead a process of rebuilding trust in the community, explicitly leading the hard conversations about race, segregation and collective accountability to action. Federal American Rescue Plan Act (ARPA) funding presents an opportunity for the City to invest resources in critical measures to support recovery and racial equity, but the funds must be distributed equitably and effectively to strengthen trust.

The City should build on local successes and national best practices to ensure that historically disadvantaged businesses can expand and thrive during recovery and beyond. In partnership with the private sector, Rockford should lead a city-wide effort to increase access to capital, capacity-building, and procurement opportunities for minorities, women and immigrant entrepreneurs and business owners. This type of intentional focus and collective action will be critical to ensuring that Rockford's recovery is inclusive and trust in a collective future is rebuilt. The City cannot do this alone.

#### *The City should lead in inclusivity and racial equity.*

Rockford's legacy of historic racism and segregation have resulted in persistent distrust and division between economic development leaders, minority business owners and community stakeholders. Interview comments such as "all the investment is Downtown and that's not for us" reflect deep distrust that threatens Rockford's economic recovery. Sustained recovery will require business innovation and new solutions to drive local growth; distrust and division will stifle the creativity needed to build positive momentum. The City should expand its leadership of the region's reckoning with racial disparities to drive

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<sup>33</sup> CenterState CEO near Syracuse, New York is a model of regional economic development leadership in equitable growth and offers resources to businesses to help drive internal equity initiatives and broader regional equity collaboration (<https://www.centerstateceoequity.com>).

local economic growth. Through internally and externally focused efforts, the City should model equitable business and workplace practices to drive meaningful progress.

- Conduct an internal diversity, equity and inclusion (DEI) audit of City workplace and hiring practices and commit to leading internal racial equity dialogues. Provide transparency through regular public reports about the City's efforts to strengthen community trust.
- Lead through example in diversifying the City's workforce, set diversity hiring targets across all City departments and establish metrics to track progress. Provide quarterly public reports of progress and course correction measures, as needed.
- Ensure that every City task force, committee and working group is inclusive of Rockford's diversity and includes representatives from the Black, Latinx and immigrant communities.
- Explore national best practices in regional cross-sector equity partnerships – such as the [CenterState CEO Equity Pledge](#) – and lead efforts to expand racial equity in workplaces across the region, including private businesses, public agencies, local colleges and large institutions.

*The City should leverage its role to lead inclusive public procurement to support MWBE business growth.*

- Leverage stimulus funding to commission a disparity study on the City's utilization of MWBEs in City contracting to inform procurement policies, targets, and business support moving forward.
- Explore opportunities to expand the definition of Responsible Bidder to include contracting and subcontracting to Rockford-based MWBEs.
- Set MWBE procurement targets and metrics; publish data regularly to support transparency and trust building with the business community.
- Host MWBE outreach and education sessions to help Rockford-based MWBEs successfully apply for and win City contracts; publicize events broadly, through multiple channels that can reach underrepresented business groups. Share outreach results and participation data publicly to support trust build and to model inclusive procurement practices for regional institutions and private businesses.
- Consider increasing the City's informal RFP threshold for local businesses to reduce barriers to entry and allow the City to conduct more targeted outreach to MWBEs for these opportunities. Bypassing the formal RFP process could provide increased opportunities for MWBEs to increase their capacity and apply for larger contracts in the future. (See Philadelphia's [Local Business Purchasing initiative](#)).
- The City should model and encourage local businesses to commit to supplier diversity efforts focused on expanding opportunities for Rockford businesses and entrepreneurs of color.

*The City should commission a Small Business and Entrepreneurship Assessment and Action Plan.*

- Commission a Small Business and Entrepreneurship Assessment and Action Plan to provide needed insights into the local small business ecosystem, with a particular emphasis on MWBE businesses; in tandem with the recommended MWBE disparity study, this assessment will provide greater understanding of the local business landscape and provide guidance to address disparities, barriers and opportunities.
- Assemble a Small Business taskforce made up of City representatives, GRGP, RLDC, anchor institutions, large companies, service providers, CDFIs, contractors, diverse small business owners, and entrepreneurs to inform and advance Small Business Assessment and Action Plan.

- Regularly publish taskforce findings and recommendations publicly to foster transparency and build trust in the community.

*The City should prioritize data-driven decision-making to increase access to market opportunities and capital for minority, immigrant and women-owned businesses.*

- Develop data-sharing agreements between the City, GRGP, RLDC, the SBDC and others to provide a centralized data bank on local businesses in Rockford. Ensure that data are disaggregated by race, ethnicity, gender, lending amount and type of loan, as well as geographic location (e.g., census tract, ward, etc.) so that data can further broader equity initiatives to reduce racial and ethnic disparities in lending.
- Encourage RLDC, GRGP and the SBDC to conduct parallel diversity and disparity assessments in their programming and lending practices, and to develop targets and metrics to monitor progress.

*The City should leverage stimulus funds and private sector dollars to launch a Small Business and Entrepreneurship investment fund to close the racial wealth divide for entrepreneurs and small business owners of color.*

- Develop an investment fund to meet capital gaps for minority, women and immigrant owned small businesses and entrepreneurs through partnership with corporations, philanthropic foundations, financial institutions, non-profits, community, health, educational, and faith-based institutions.
- Identify target recipients based on the Small Business and Entrepreneur Assessment findings on capital disparities by ownership type, sector, stage of growth, etc. Pair capital support with technical assistance and coaching when applicable.
- Based on the capital gaps assessment and disparity analysis, consider a range of financial instruments including character-based loans, forgivable loans, credit enhancements, convertible debt, equity, purchase order finance, royalty finance and grants targeted at those business/entrepreneurs most in need (See [Boston Impact Initiative](#) for a range of integrated capital tools).

*The City should expand efforts to invest in Black, Latinx, immigrant and women-owned businesses.*

- Target federal small business relief funds to historically disadvantaged businesses through education, outreach and connections to non-traditional lender, where possible.
- Use findings from Small Business and Entrepreneur Assessment to deploy ARPA funds to ensure that funds reach small businesses truly in need.
- Continue to partner with Think Big to help launch a Black-owned business incubator and business support outreach to minority owned businesses. Provide patient funding, as appropriate, to support robust and sustainable growth and to help the organization establish a strong foundation for future growth.
- Encourage cross-sector partners and economic development agencies to partner with Think Big to reshape and redesign Rockford's business support infrastructure. Emphasize the need for bridging to connect Rockford's minority-owned businesses to the established economic development organizations. Encourage partners to identify targets and metrics to demonstrate continued commitment to bridging over time and encourage them to publish findings regularly to help build trust in the community.

- Develop a centralized list of partner organizations that support business development and regularly update on City website.
- Leverage ARPA funding to bolster and expand small business support networks through grants to community-based non-profits and entrepreneurship support organizations (see SBA's [Community Navigator Pilot Program](#)).
- Partner with third-party service providers to translate public documents/small business resources and connect ESOL business owners and entrepreneurs to language education programs.

*The City should strengthen its childcare business sector to support equitable economic recovery.*

- Leverage ARPA and other federal funding to bolster and expand the childcare business sector.
- Connect efforts to other entrepreneur and small business support efforts, but also provide tailored outreach and programming to meet the specific needs of the childcare industry.
- Commission a study to gain a better understand of childcare businesses in Rockford, including unlicensed and informal businesses, geographic distribution and quality measures to provide needed data to inform program design and outreach approaches.
- Partner with local childcare agencies and explore national best practices to inform program design and partnerships needed to grow new childcare businesses:
  - [Women's Business Development Center](#), Chicago, Illinois – provides broad entrepreneurship and small business supports for women, with additional programming specific to [childcare business start-ups](#).
  - Montgomery County, Maryland – [Childcare Business Starter Kit](#)
  - Women's Housing and Economic Development Corporation (WHEDCo), Bronx, New York – [Home-based Childcare Network and Training Institute](#)

## Funding Considerations

- CDBG-CV funds allocated to Rockford under the CARES Act can be used for any CDBG-eligible activity that prevents, prepares for, or responds to COVID. Examples of CDBG-CV eligible activities aligned with the above recommendations include:
  - Providing grants or loans to support entrepreneurs or existing businesses to acquire, convert, construct, or reconstruct commercial spaces to revitalize communities and local economies affected by business or job losses resulting from COVID.
  - Providing working capital assistance to small businesses or entrepreneurs to enable creation and retention of jobs held by low- and moderate-income persons.
  - Providing technical assistance, grants, loans, and other financial assistance to establish, stabilize, and expand microenterprises to revitalize communities and local economies affected by coronavirus or to prepare for and prevent future outbreaks.
- SLFR funds allocated to Rockford under ARPA can be used to assist individuals, families, and communities adversely affected by the health and economic impacts of COVID. SLFR eligible activities aligned with the above recommendations include:
  - Providing loans and grants to small businesses to mitigate financial hardships related to the pandemic.
  - Providing loans and grants to small businesses for COVID prevention or mitigation.
  - Providing direct aid to private businesses in COVID-impacted industries, such as tourism, travel, and hospitality.

- Providing direct aid to private businesses in target industries that closed during the pandemic or were forced to delay expansion due to the pandemic.
  - Note that activities supported by SLFR funding generally need to be in response to a demonstrated COVID impact. For many activities, COVID impact is presumed when the activity is targeted to a qualified census tract. Further, SLFR funding specifically designated as recovery of lost revenue can be used for general government service provision.
- The City should ensure that all activities supported by federal recovery funds follow all regulatory requirements and guidelines issued by the relevant federal agencies.

## Appendices

### Appendix I: Interview Participants

Individuals interviewed for this assessment:

#### *City of Rockford*

- **The Honorable Tom McNamara**, Mayor, City of Rockford
- **Todd Cagnoni**, City Administrator, City Administrator
- **Carrie Hagerty**, Finance Director, Finance Director
- **Karl Franzen**, CED Director, Community & Economic Development
- **Kyle Saunders**, Public Works Director, Public Works Director
- **Francisca French**, ED Diversity & Procurement Coordinator, Community & Economic Development
- **Deb Dorsey**, Housing & Program Manager, Community & Economic Development
- **Andrea Hinrichs**, Grants Compliance Supervisor, Community & Economic Development
- **Barb Chidley**, City Neighborhood Specialist, City of Rockford
- **Jennifer Cacciapaglia**, Manager, Mayor's Office on Domestic and Community Violence Prevention
- **Ald. Kevin Frost**, Alderman, 4th Ward, City Council
- **Ald. Aprel Prunty**, Alderman, 6th Ward, City Council
- **Ald. Karen Hoffman**, Alderman, 8th Ward, City Council
- **Ald. Bill Rose**, Alderman, 9th Ward, City Council
- **Ald. Frank Beach**, Alderman, 10th Ward, City Council
- **Ald. Gina Meeks**, Alderman, 12th Ward, City Council
- **Ald. Mark Bonne**, Alderman, 14th Ward, City Council

#### *Health and Human Services*

- **Aqunette Parham**, Director, City Health & Human Services
- **Jennifer Jaeger**, Director of Community Services, City Health & Human Services
- **Mike Chamberlain**, Chief Executive Officer, Community Action Agency

#### *Housing and Community Development*

- **Dan Ross**, President, Community Foundation of Northern Illinois
- **Jim Keeling**, Fordham Forward & Transform Rockford
- **Cira Richardson**, Program Director, Great Neighborhoods
- **Gwen Laschock**, Signal Hill Neighborhood, Neighborhood Association President
- **Sandy Tower**, Alpine Ridge Neighborhood, Neighborhood Association President
- **Lisa Jimenez**, Haight Village Neighborhood, Neighborhood Association President
- **Maureen Kirschmann**, Prairie Hill Neighborhood, Neighborhood Association President
- **Bliss Sterling**, Southwest Rockford Neighborhood, Neighborhood Association President
- **Vic Rivera**, Southwest Rockford Neighborhood, Neighborhood Association President
- **Steve Booth**, ORCHID Neighborhood, Neighborhood Association President
- **Vicki Fogel**, North End Square Neighborhood, Neighborhood Association President
- **Laura Snyder**, Chief Executive Officer, Rockford Housing Authority



- **Odessa Walker**, Director of Human Services, Rockford Housing Authority
- **Owen Carter**, Director of Housing Operations, Rockford Housing Authority
- **Sarah Brinkmann**, Executive Director, HomeStart
- **Luz Ramirez**, Executive Director, La Voz Latina/YWCA
- **Kristian Wanland**, Quality Specialist, La Voz Latina/YWCA
- **Diego Valdivia**, Immigrant Services Supervisor, La Voz Latina/YWCA

#### *Economic Development*

- **Einar Forsman**, President & CEO, Rockford Chamber of Commerce/Greater Rockford Growth Partnership
- **Jerry Sagona**, VP Business Development, Rockford Area Economic Development Council/Greater Rockford Growth Partnership
- **Edward Caceres**, Director, Small Business Development Center
- **Andrew Jury**, Loan Officer, Rockford Local Development Corp.
- **Marvin Keys**, Corporate Counsel, First Midwest Group

#### *Workforce Development*

- **Dr. Eric Fulcomer**, President, Rockford University
- **Lisa Bly**, Executive Director, Workforce Connection
- **Courtney Geiger**, Director of Mission Services, Goodwill Industries of Northern Illinois
- **Dr. Howard Spearman**, President, Rock Valley College
- **Dr. Laurie Borowicz**, President, Kishwaukee College
- **Chris Kuberski**, President and Executive Officer, Highland Community College
- **Tiana McCall**, VP of Community Outreach and Strategic Partnerships, Rock Valley College

#### *Education & Youth Services*

- **Nikki Lynch**, Project Manager, Rockford Park District
- **Lamont Jones**, Manager of Youth Sports, Rockford Park District
- **Brent Pentenburg**, Director, YMCA of Rock River Valley
- **Keishonda Williamson**, Executive Director, Kikifer's Entrepreneurial Academy
- **Michelle Jahr**, CFO, Rockford Public Schools
- **John Johnson**, Associate Director, Youth Services Network
- **Anisha Grimmitt**, Executive Director, Alignment Rockford/Ready to Learn
- **Angel Brown**, Head Start Policy Council - Parent
- **Markayla Herbert**, Head Start Policy Council - Parent
- **Jerimiah Griffin**, Head Start Policy Council - Community Member

## Appendix II: Summary Matrix of Recommendations

The following list offers a brief summary of recommendations related to each of the analyses included in this report. Many of responses identified are not new, but federal recovery funding provides a unique opportunity for the City to meet urgent needs and strategically focus resources on programs that maximize impact to address longstanding racial and economic disparities.

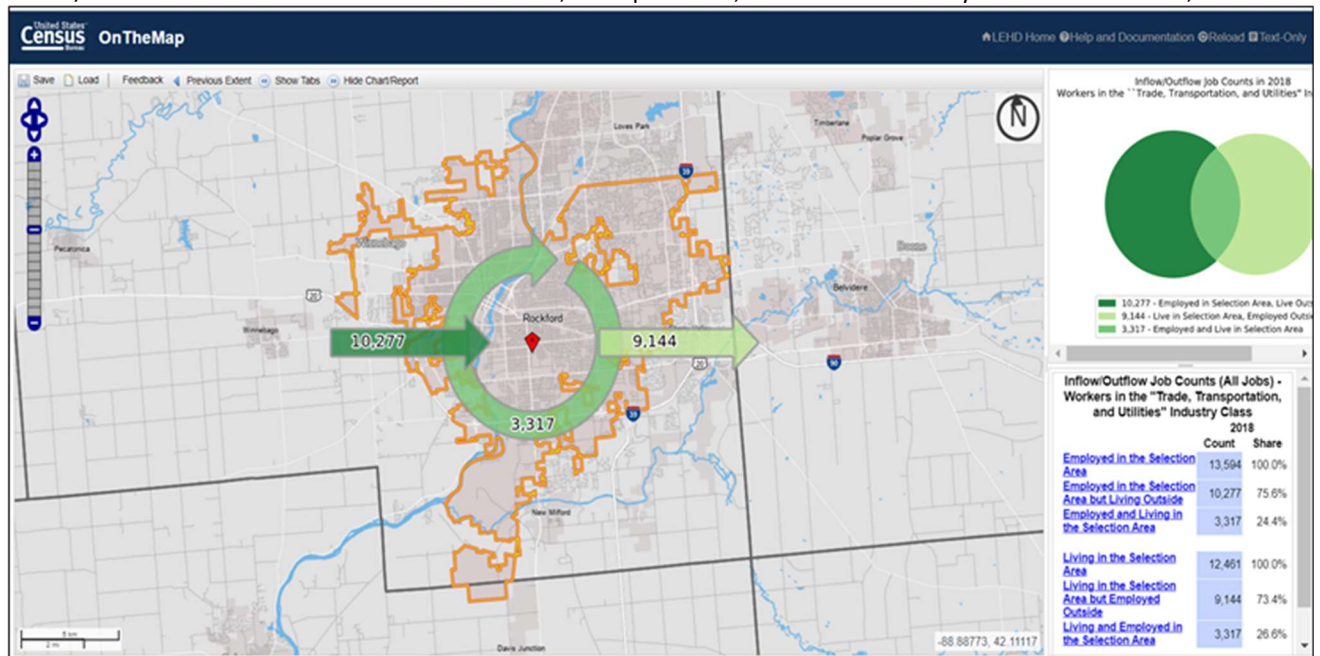
Housing and Community Development
<b>Coordinate Housing Partners around a City-led Strategic Response:</b> Pursue strategic outreach, public engagement, and capacity building opportunities with local service providers (community-based organizations, affinity groups, places of worship, etc.) to bring new partners and community voices to the table and coordinate a cross-sector recovery strategy
<b>Improve Data Collection and Sharing:</b> Develop early warning systems that track indicators of neighborhood change and allow stakeholders to adapt their responses to meet the specific needs of communities
<b>Increase Housing Support Services to Promote Racial Equity:</b> Implement affirmative outreach and marketing strategies to promote support services and housing opportunities to target communities; evaluate existing city programs and applications for potential biases or barriers to application/program completion
<b>Promote Property Improvements and Good Landlord Incentives:</b> Structure loans, grant programs, and financial products to provide funding for improvements to substandard housing for both owner-occupants and investors; Introduce additional landlord requirements and tenant-friendly policies
<b>Revisit the National Resource Network’s 2019 Neighborhood Revitalization Strategy:</b> Implement strategic code enforcement policies with a focus toward establishing a culture of compliance; continue demolition of unsafe structures
Education
<b>Shared Outcomes, Policy Agenda:</b> Develop a set of shared outcomes – from access to quality childcare and preschool to school readiness rates to early literacy and middle school math to postsecondary success; develop a shared policy agenda and mobilize partners and the community around the changes that will have the most impact on children and families
<b>Investing in Childcare, Learning Loss, Health:</b> Invest in initiatives that address the shortage of childcare seats, getting students back on track in school, and making sure children are getting the mental and behavioral supports they need; invest in a network of supports to address learning loss
<b>Publish and Address Disparities:</b> Task a team of leaders with collecting and publishing disparities data; develop an action plan to address disparities with cross-sector buy-in from the community
Workforce Development
<b>Strengthen Coordination Across the Workforce Ecosystem:</b> Develop local diversity hiring practices; Support soft-skill training and the expanded role of local community colleges in supporting these programs; partner with existing workforce development organizations to create prisoner re-entry and workforce programs for non-violent offenders; build on job stabilization by upskilling and reskilling in growing trade, transportation, utilities, and manufacturing jobs
<b>Improve Public Transit:</b> Re-envision transit planning focused on equity and inclusivity; elicit input from residents and other users of public transit to inform transit planning decisions; develop partnerships with major employers to establish transit lines to major employment centers
<b>Improve Community Infrastructure, Internet Access and Public Information:</b> Continue to pursue investment in expanding broadband to neighborhoods, particularly in West Rockford; develop small workforce hubs and/or reopen libraries in neighborhoods with high unemployment and underemployment

<b>Lessen Cost Burden of Childcare:</b> Develop a childcare voucher or subsidy program for low-income and middle-income families; invest in an entrepreneurship and TA program to nurture an increase in the volume of small childcare businesses in Rockford
<b>Improve Workforce Health Care Concerns:</b> Create a certification program for businesses to meet specific health and safety standards so the workforce will feel more comfortable returning to work
<b>Improve Wage Disparities:</b> Develop a living wage to encourage more employers in Rockford to provide better, more sustainable wages to their workers
<b>Address ‘Middle Skills’ Gap:</b> Invest in ‘middle skills’ training by developing more apprenticeship and ‘paid internship’ models with local employers
<b>Economic Development</b>
<b>Demonstrate leadership in inclusivity and racial equity by modeling equitable business and workplace practices</b> – conduct an internal diversity, equity and inclusion (DEI) audit; set diversity hiring targets; ensure that every City task force, committee and working group is inclusive of Rockford’s diversity and includes representatives from the Black, Latinx and immigrant communities.
<b>Leverage its role to lead inclusive public procurement to support MWBE business growth</b> – leverage stimulus funding to commission a disparity study on the City’s utilization of MWBEs; host MWBE outreach and education sessions to help Rockford-based MWBEs successfully apply for and win City contracts
<b>Commission a Small Business and Entrepreneurship Assessment and Action Plan</b> – gain insight into the local small business ecosystem, with a particular emphasis on MWBE businesses, provide guidance to address disparities, barriers and opportunities.
<b>Prioritize data-driven decision-making to increase access to market opportunities and capital for minority, immigrant and women-owned businesses</b> – develop data-sharing agreements between the City, GRGP, RLDC, the SBDC and others to provide a centralized data bank on local businesses in Rockford
<b>Leverage stimulus funds and private sector dollars to launch a Small Business and Entrepreneurship investment fund</b> to close racial wealth divide for entrepreneurs and small business owners of color
<b>Expand efforts to invest in Black, Latinx, immigrant and women-owned businesses</b> – target federal small business relief funds to historically disadvantaged businesses through education, outreach and connections to non-traditional lenders, where possible
<b>Strengthen its childcare business sector to support equitable economic recovery</b> – provide tailored outreach and programming to meet the specific needs of the childcare industry

## Appendix III: Supporting Materials

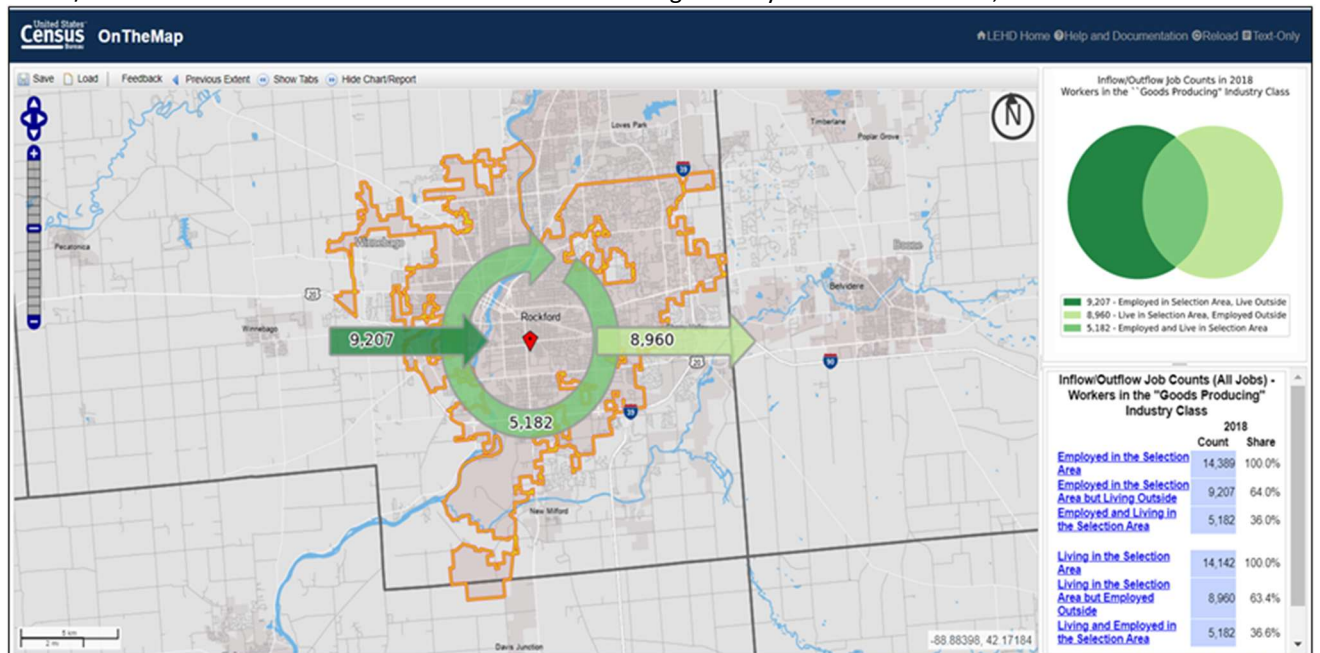
### Appendix III-A: Inflow/Outflow Analysis

Inflow/Outflow Job Counts of Workers in the Trade, Transportation, and Utilities Industry Sectors in Rockford, IL.



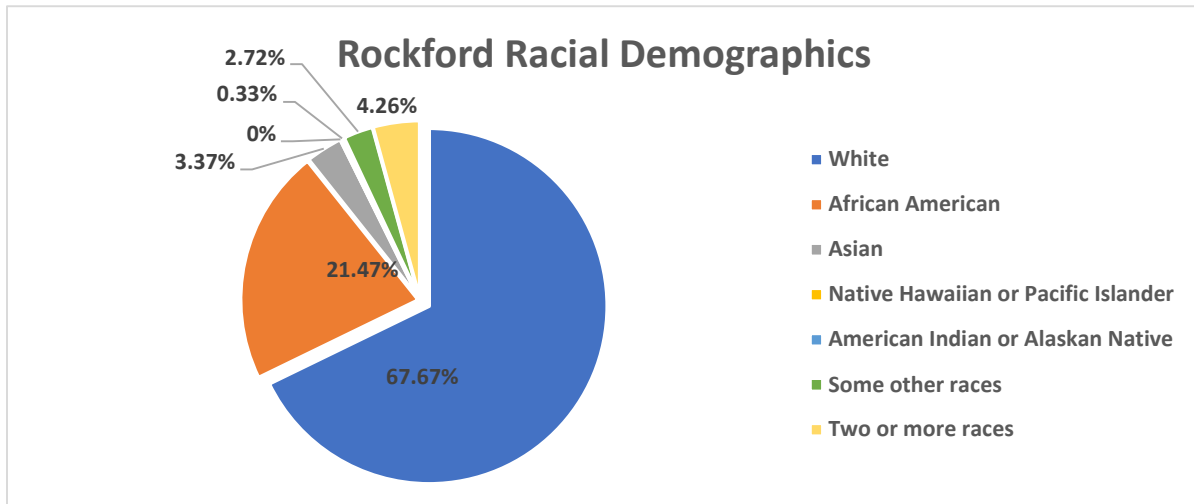
Source: City of Rockford Trade, Transportation and Utilities Industry Sectors: One the Map, U.S. Census Bureau, 2018

Inflow/Outflow Job Counts of Workers in the Goods Producing Industry Sectors in Rockford, IL.



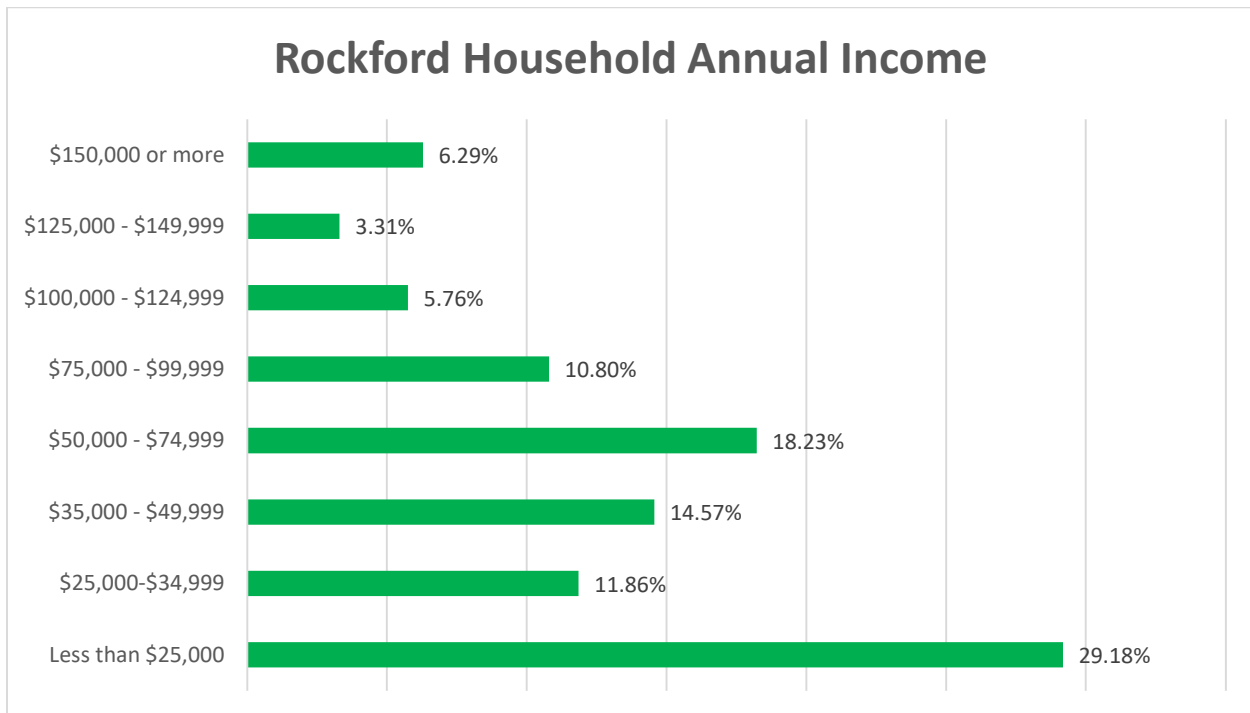
Source: City of Rockford Goods Producing Industry Sectors, Inflow/Outflow Analysis: One the Map, U.S. Census Bureau, 2018

### Appendix III-B: Rockford Demographics



Source: PolicyMap 2021

### Appendix III-C – Rockford Annual Household Income Brackets

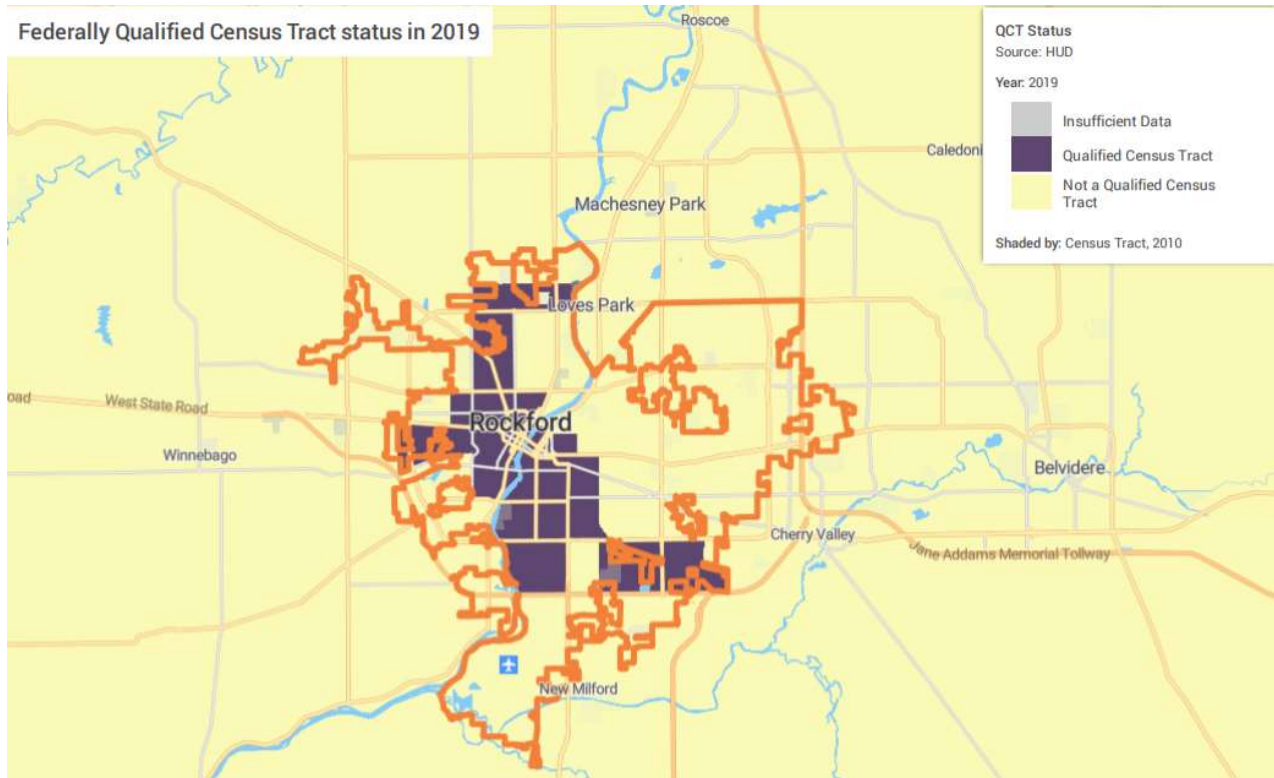


Source: PolicyMap, 2021

## Appendix IV: Qualified Census Tracts

### Qualified Census Tracts in Rockford:

17201000800, 17201001000, 17201001100, 17201001200, 17201001300, 17201001400, 17201001800, 17201002000, 17201002100, 17201002400, 17201002500, 17201002600, 17201002700, 17201002800, 17201002900, 17201003100, 17201003200, 17201003300, 17201003602, 17201003605, 17201003708, 17201003709



Source: PolicyMap, 2021